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The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

TWENTY-SEVENTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS,

for the year ended 31st October 1928.

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LONDON:
WATERLOW & SONS LIMITED, BIRCHIN LANE, E.C.
1929.

The Imperial Tobacco Company (of Great Britain and Ireland) LIMITED.

Directors.

SIR GILBERT ALAN HAMILTON WILLS, BT. *(Chairman)*

ROBERT ADKIN
WILLIAM HENRY BLANDY
THE RT. HON. LORD BRADBURY OF WINSFORD, G.C.B.
SIR WILLIAM ALFRED CHURCHMAN
CHARLES SAMUEL CLARKE
THOMAS RUDING DAVEY
SAMUEL PERCY DAVIES
REGINALD EARLE
GEORGE ADOLPH FALK
ALFRED ROBERT FAULKNER
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
LAWRENCE HIGNETT
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
WILLIAM NELSON MITCHELL
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL, M.P.
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
FRANCIS ALFRED QUARTLY
LESLIE HARTWELL REED
WILLIAM RENNIE
ERNEST ROBERT STILL
EDWIN SELBY TANSLEY
FREDERICK JOHN WALTERS
WILLIAM STANILAND WALTERS
WALTER MELVILLE WILLS
SIR ERNEST SALTER WILLS, BT.
SIR GEORGE VERNON PROCTOR WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditor.

SIR WILLIAM PLENDER, BT., G.B.E.
(DELOITTE, PLENDER, GRIFFITHS & CO.)

Secretary.

R. J. SINCLAIR

Registered Office.

BRISTOL

BRANCHES OF THE COMPANY:—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool, London and Belfast.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	
Mardon, Son & Hall	Bristol.

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Twenty-seventh Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1928.

REPORT OF THE DIRECTORS,

To be presented at the Twenty-seventh Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Twenty-Seventh Annual Report to the Shareholders, together with the Audited Balance Sheet at the 31st October 1928, and a Profit and Loss Account for the twelve months ended that date.

2. From the Profit and Loss Account it will be seen that the net Trading Profit for the year was £9,595,176 7 0

to which should be added Transfer and other Fees received 4,529 10 6

£9,599,705 17 6

From this must be deducted :—

Provision for Pensions	£250,000 0 0	
Transfer to General Reserve Account	500,000 0 0	
		750,000 0 0

leaving a balance for the year of... ... ... £8,849,705 17 6

to which must be added the amount brought forward from the Accounts of the preceding year 959,041 16 7

making the total Profits available for distribution £9,808,747 14 1

1950 g. Business records lib. v.27-37, 1927/28-1937/38 cont S.N.

		Forward ... £9,808,747 14 1
Out of this sum there have been or are to be paid :—		
Dividends on " A " 5½ per cent. Cumulative Preference Shares—		
For the half-year ended 30th April 1928, paid 1st July 1928	136,379 7 0	
For the half-year ended 31st October 1928, payable 1st January 1929	136,379 7 0	
Dividends on " B " 6 per cent. Non-Cumulative Preference Shares—		
For the half-year ended 30th April 1928, paid 1st August 1928	157,814 1 5	
For the half-year ended 31st October 1928, payable 1st February 1929	157,814 1 5	
Dividends on "C" 10 per cent. Non-Cumulative Preference Shares—		
For the half-year ended 30th April 1928, paid 1st August 1928	131,910 18 0	
For the half-year ended 31st October 1928, payable 1st February 1929	131,910 18 0	
Interim Dividend of 7½ per cent. on Ordinary Shares paid 1st September 1928 (free of Income Tax) ...	2,246,377 5 6	
		3,098,585 18 4
resulting in a balance of		£6,710,161 15 9
out of which it is proposed to pay on the 1st March next :—		
A Final Dividend of 11 per cent. for the year on Ordinary Shares (free of Income Tax)	3,294,686 13 5	
Bonus on Ordinary Shares at 1s. 6d. per Share (free of Income Tax)	2,246,377 5 6	
		5,541,063 18 11
leaving a balance to be carried forward of		£1,169,097 16 10

3. It will be seen on reference to the Balance Sheet that there has been transferred to General Reserve from Contingencies and Leaf Fluctuations Accounts a sum of £4,000,000 which, in the judgment of the Directors, is not required for such purposes. The General Reserve Account now stands at £11,500,000, out of which the Directors propose, subject to the approval of the Shareholders, that approximately £7,500,000 be capitalised and distributed to the Ordinary Shareholders of the Company in the form of fully paid Ordinary Shares at the rate of one for four, and Notice calling a Meeting to effect this capitalisation is enclosed.

4. The Directors record, with deep regret, the death in July last of Sir George Alfred Wills, Baronet, President of the Company.

As one of the heads of the old business of W. D. & H. O. Wills, Ltd., he took a leading part in the formation of the Imperial Company in 1901, and was its first Deputy Chairman. In 1911 he succeeded Lord Winterstoke in the Chairmanship, and he continued in that office until December, 1924, when, having retired from active management, he was elected President.

5. The Directors retiring by rotation under the Articles of Association are Mr. Robert Adkin, Sir William Alfred Churchman, Messrs. Samuel Percy Davies, John Dane Player, Ernest Robert Still, Alexander Black Mitchell, John Duncan Macdonald, Stephen Mitchell, Frank Oliver Wills, William Inghram Gunn, and Sir Ernest Salter Wills, Bt. They are eligible and offer themselves for re-election.

6. The Auditor, Sir William Plender, Bt., G.B.E., of Messrs. Deloitte, Plender, Griffiths & Co., retires, and offers himself for re-election.

7. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 22nd day of January 1929.

On behalf of the Board,

G. A. H. WILLS, *Chairman.*
H. W. GUNN, *Director.*
R. J. SINCLAIR, *Secretary.*

ACCOUNTS, 31st October 1928.

THE IMPERIAL TOBACCO COMPANY

Dr. BALANCE SHEET,

	£	s.	d.	£	s.	d.
To Capital Authorized :-						
6,000,000 "A" 5½ per cent. Cumulative Preference Shares	6,000,000	0	0			
6,000,000 "B" 6 per cent. Non-Cumulative Preference Shares ...	6,000,000	0	0			
3,000,000 "C" 10 per cent. Non-Cumulative Preference Shares ...	3,000,000	0	0			
35,000,000 Ordinary Shares	35,000,000	0	0			
	£50,000,000	0	0			
„ Capital Issued :						
4,959,249 "A" 5½ per cent. Cumulative Preference Shares				4,959,249	0	0
5,260,469 "B" 6 per cent. Non-Cumulative Preference Shares ...				5,260,469	0	0
2,638,218 "C" 10 per cent. Non-Cumulative Preference Shares ...				2,638,218	0	0
29,951,697 Ordinary Shares				29,951,697	0	0
				42,809,633	0	0
„ Creditors, Provisions for Taxation and Bonus to Customers, Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Contingencies and to meet fluctuations in the value of leaf tobacco stocks (after deducting £4,000,000 taken to General Reserve Account, as below); Employers' Liability, Marine and other Funds				14,628,828	0	5
„ Bills Payable and Drafts in transit				2,000	0	0
„ Provision for Pensions, &c.				3,141,015	8	3
„ General Reserve Account per last Balance Sheet	7,000,000	0	0			
Add: Transfer from Contingencies and Leaf Fluctuations Accounts, as above (See para. 3 in Directors' Report)	4,000,000	0	0			
Transfer from Profit and Loss Account for the year ended 31st October 1928	500,000	0	0			
				11,500,000	0	0
„ Profit and Loss Account—						
Balance for the year (page 10)	8,849,705	17	6			
Balance at 31st October 1927	959,041	16	7			
	9,808,747	14	1			
Deduct: Interim Dividends paid on :—						
"A" 5½ per cent. Cumulative Preference Shares £136,379 7 0						
"B" 6 per cent. Non-Cumulative Preference Shares 157,814 1 5						
"C" 10 per cent. Non-Cumulative Preference Shares 131,910 18 0						
Ordinary Shares 2,246,377 5 6						
	2,672,481	11	11			
				7,136,266	2	2
				£79,217,742	10	10

MEMO.—(*a*) There are Contingent Liabilities of the nature of Guarantees of Dividends on Shares in two Associated Companies.
(*b*) There is an uncalled Liability on Investments held of £153,175.

AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

I have examined the above Balance Sheet dated 31st October 1928 with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations I have required. In my opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and the explanations given me, and as shewn by the books of the Company.

5, LONDON WALL BUILDINGS, E.C. 2,
22nd January, 1929.

WM. PLENDER,
Auditor
(DELOITTE, PLENDER, GRIFFITHS & CO.),
Chartered Accountant.

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1928.

Cr.

	£	s.	d.
By Land, Buildings, Plant and Machinery—at cost, less amounts written off	4,922,663	18	5
,, Goodwill and Patent Rights	9,422,581	16	0
,, Investments in Associated Companies—at cost, or below in those cases where depreciation has taken place	8,811,033	19	11
NOTE.—In the aggregate the market value of these investments is largely in excess of the book value.			
,, Loans to, and Current Accounts with, Associated Companies	1,052,744	19	1
,, Stock-in-Trade, including Leaf in transit—at approximate cost, and Advances to Branches abroad for purchase of Leaf, etc.	30,495,433	6	10
,, Debtors, less Reserves for Discounts and doubtful Debts	6,606,770	19	1
,, Government and other Securities (including Treasury Bills, County Council and Corporation Stocks, Railway Debenture and Preference Stocks etc.)—at cost or market value, whichever is lower	12,939,952	9	7
,, Corporation Loans, not officially quoted	200,000	0	0
,, Cash at Bankers and in hand	4,766,561	1	11
	£79,217,742	10	10

P. V. ROBERTS,
(Chartered Accountant),
Assistant Accountant.

G. A. H. WILLS, *Chairman.*
H. W. GUNN, *Director.*
R. J. SINCLAIR, *Secretary.*

Dr. PROFIT AND LOSS ACCOUNT,

	£	s.	d.
To Provision for Pensions	250,000	0	0
„ Transfer to General Reserve Account	500,000	0	0
„ Balance carried to Balance Sheet (page 8)	8,849,705	17	6
	£9,599,705	17	6

Dr. APPROPRIATION

	£	s.	d.	£	s.	d.
To Dividends on "A" 5½ per cent. Cumulative Preference Shares—						
Interim Dividend to 30th April 1928, paid 1st July 1928 ...	136,379	7	0			
Final Dividend to 31st October 1928, payable 1st January 1929	136,379	7	0			
				272,758	14	0
„ Dividends on "B" 6 per cent. Non-Cumulative Preference Shares—						
Interim Dividend to 30th April 1928, paid 1st August 1928 ...	157,814	1	5			
Final Dividend to 31st October 1928, payable 1st February 1929	157,814	1	5			
				315,628	2	10
„ Dividends on "C" 10 per cent. Non-Cumulative Preference Shares—						
Interim Dividend to 30th April 1928, paid 1st August 1928 ...	131,910	18	0			
Final Dividend to 31st October 1928, payable 1st February 1929	131,910	18	0			
				263,821	16	0
„ Dividends on Ordinary Shares—						
Interim Dividend of 7½ per cent., paid 1st September 1928 (free of Income Tax)	2,246,377	5	6			
Proposed Final Dividend of 11 per cent. (free of Income Tax) ...	3,294,686	13	5			
Proposed Bonus of 1s. 6d. per share (free of Income Tax) ...	2,246,377	5	6			
				7,787,441	4	5
„ Balance carried forward				1,169,097	16	10
				£9,808,747	14	1

for the year ended 31st October 1928. Cr.

	£	s.	d.
By Net Trading Profit and Interest and Dividends on Investments (**including Dividends from Companies operating outside the United Kingdom**), and Loans, after providing for Directors' Fees and Management Remuneration, Depreciation of Freehold Buildings, Plant and Machinery, Taxation, Working Expenses, Head Office and Registration Charges, and Bonus to Customers	9,595,176	7	0
„ Transfer and other Fees	4,529	10	6
	£9,599,705	17	6

ACCOUNT. Cr.

	£	s.	d.
By Balance from Profit and Loss Account for the year	8,849,705	17	6
„ Balance of undivided Profit at 31st October 1927	959,041	16	7
	£9,808,747	14	1

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The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

TWENTY-SEVENTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS,

FOR THE YEAR ENDED

31st October 1928.

WATERLOW & SONS LIMITED, BIRCHIN LANE, LONDON. (152741)

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1928/29

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The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

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TWENTY-EIGHTH ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS,

for the year ended 31st October 1929.

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LONDON:
WATERLOW & SONS LIMITED, BIRCHIN LANE, E.C.
1930.

338.7
Im 7
1928/29

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON OF BATSFORD *(Chairman)*

ROBERT ADKIN
WILLIAM HENRY BLANDY
THE RT. HON. LORD BRADBURY OF WINSFORD, G.C.B.
SIR WILLIAM ALFRED CHURCHMAN
CHARLES SAMUEL CLARKE
THOMAS RUDING DAVEY
SAMUEL PERCY DAVIES
REGINALD EARLE
GEORGE ADOLPH FALK
ALFRED ROBERT FAULKNER
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
LAWRENCE HIGNETT
WALTER BURNET JAMES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
WILLIAM NELSON MITCHELL
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
FRANCIS ALFRED QUARTLY
LESLIE HARTWELL REED
WILLIAM RENNIE
ERNEST ROBERT STILL
EDWIN SELBY TANSLEY
FREDERICK JOHN WALTERS
WILLIAM STANILAND WALTERS
WALTER MELVILLE WILLS
SIR ERNEST SALTER WILLS, BT.
SIR GEORGE VERNON PROCTOR WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditor.

SIR WILLIAM PLENDER, BT., G.B.E.
(DELOITTE, PLENDER, GRIFFITHS & CO.)

Secretary.

R. J. SINCLAIR

Registered Office.

BRISTOL

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.,

COMBINING:—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	
Mardon, Son & Hall	Bristol.

Twenty-eighth Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1929.

REPORT OF THE DIRECTORS,

To be presented at the Twenty-eighth Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Twenty-eighth Annual Report to the Shareholders, together with the Audited Balance Sheet at the 31st October, 1929, and a Profit and Loss Account for the twelve months ended that date.

2. From the Profit and Loss Account it will be seen that the net Trading Profit for the year was £9,970,581 4 5

to which should be added Transfer and other Fees received 6,517 3 0

£9,977,098 7 5

From this must be deducted :—

Directors' Fees	£10,000 0 0	
Transfer to General Reserve Account	487,925 0 0	
		497,925 0 0
leaving a balance for the year of		9,479,173 7 5
to which must be added the amount brought forward from the Accounts of the preceding year		1,169,097 16 10
making the total profits available for distribution		£10,648,271 4 3

Forward		£10,648,271 4 3
Out of this sum there have been or are to be paid :—		
Dividends on "A" 5½ per cent. Cumulative Preference Shares—		
For the half-year ended 30th April, 1929, paid 1st July, 1929	£136,379 7 0	
For the half-year ended 31st October, 1929, payable 1st January, 1930	136,379 7 0	
Dividends on "B" 6 per cent. Non-Cumulative Preference Shares—		
For the half-year ended 30th April, 1929, paid 1st August, 1929	157,814 1 5	
For the half-year ended 31st October, 1929, payable 1st February, 1930	157,814 1 5	
Dividends on "C" 10 per cent. Non-Cumulative Preference Shares—		
For the half-year ended 30th April, 1929, paid 1st August, 1929	131,910 18 0	
For the half-year ended 31st October, 1929, payable 1st February, 1930	131,910 18 0	
Interim Dividend of 7 per cent. on Ordinary Shares, paid 2nd September, 1929 (free of Income Tax) ...	2,620,773 15 0	
		3,472,982 7 10
resulting in a balance of		£7,175,288 16 5
Out of which it is proposed to pay on the 1st March next :—		
A Final Dividend of 8½ per cent. for the year on Ordinary Shares (free of Income Tax)	3,186,873 2 6	
Bonus on Ordinary Shares at 1s. 6d. per Share (free of Income Tax)	2,811,946 17 6	
		5,998,820 0 0
leaving a balance to be carried forward of		£1,176,468 16 5

3. The Contributory Pension Fund foreshadowed by the Chairman in his Speech at the last Annual General Meeting was instituted on the 1st May, 1929.

The setting-up of the Fund is reflected in the Balance Sheet, on the one hand by the elimination of the item "Provision for Pensions, etc.", which at 31st October, 1928, amounted to £3,141,015 8s. 3d., and on the other by a reduction in Government and other Securities.

4. Since the last Ordinary General Meeting the Board have appointed Mr. Walter Burnet James a Director of the Company. Under the Articles of Association he offers himself for election by the Shareholders.

5. The Directors retiring by rotation under the Articles of Association are The Rt. Hon. Lord Dulverton of Batsford, The Rt. Hon. Lord Bradbury of Winsford, G.C.B., Messrs. William Henry Blandy, Thomas Ruding Davey, Reginald Earle, Lawrence Hignett, William Nelson Mitchell, Leslie Hartwell Reed, Frederick John Walters, Walter Melville Wills, and Sir George Vernon Proctor Wills, Bart. They are eligible and offer themselves for re-election.

6. The Auditor, Sir William Plender, Bart., G.B.E., of Messrs. Deloitte, Plender, Griffiths & Co., retires, and offers himself for re-election.

7. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 21st day of January, 1930.

On behalf of the Board,

DULVERTON, *Chairman.*

H. W. GUNN, *Director.*

R. J. SINCLAIR, *Secretary.*

ACCOUNTS, 31st October 1929.

THE IMPERIAL TOBACCO COMPANY

BALANCE SHEET,

	£	s.	d.	£	s.	d.
Capital Authorized:						
6,000,000 "A" 5½ per cent. Cumulative Preference Shares	6,000,000	0	0			
6,000,000 "B" 6 per cent. Non-Cumulative Preference Shares ...	6,000,000	0	0			
3,000,000 "C" 10 per cent. Non-Cumulative Preference Shares ...	3,000,000	0	0			
40,000,000 Ordinary Shares	40,000,000	0	0			
	£55,000,000	0	0			
Capital Issued:						
4,959,249 "A" 5½ per cent. Cumulative Preference Shares				4,959,249	0	0
5,260,469 "B" 6 per cent. Non-Cumulative Preference Shares ...				5,260,469	0	0
2,638,218 "C" 10 per cent. Non-Cumulative Preference Shares ...				2,638,218	0	0
37,492,625 Ordinary Shares				37,492,625	0	0
				50,350,561	0	0
Deposits by, and Current Accounts with—						
Subsidiary Companies	446,444	4	5			
Associated Companies	5,256	6	9			
				451,700	11	2
Creditors; Provisions for Taxation and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund; Reserve for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Accounts				13,393,410	0	9
Widows and Orphans Benefit Account				247,167	19	3
General Reserve Account per last Balance Sheet	11,500,000	0	0			
Less: Amount appropriated for the purpose of issuing to Ordinary Shareholders 7,487,925 Ordinary Shares of £1 each, fully paid, in accordance with a resolution passed at an Extraordinary General Meeting held 19th February, 1929 ...	7,487,925	0	0			
	4,012,075	0	0			
Add: Transfer from Profit and Loss Account for the year ended 31st October 1929	487,925	0	0			
				4,500,000	0	0
Profit and Loss Account—						
Balance for the year (page 10)	9,479,173	7	5			
Balance at 31st October 1928	1,169,097	16	10			
	10,648,271	4	3			
Deduct: Interim Dividends paid on :—						
"A" 5½ per cent. Cumulative Preference Shares £136,379 7 0						
"B" 6 per cent. Non-Cumulative Preference Shares 157,814 1 5						
"C" 10 per cent. Non-Cumulative Preference Shares 131,910 18 0						
Ordinary Shares 2,620,773 15 0						
	3,046,878	1	5	7,601,393	2	10
				£76,544,232	14	0

MEMO.—(*a*) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(*b*) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(*c*) There is an uncalled liability on Investments held of £121,125.

AUDITOR'S REPORT TO THE MEMBERS
OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

I have examined the above Balance Sheet dated the 21st October, 1929, with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations I have required. In my opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and the explanations given me, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C. 2.
21*st January*, 1930.

WM. PLENDER,
Auditor
(DELOITTE, PLENDER, GRIFFITHS & Co.),
Chartered Accountant.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account on page 11.
A loss was sustained by one Subsidiary Company for the period covered by its last audited accounts. Such loss was met out of the Subsidiary Company's own undivided profits and accordingly has been disregarded in this Company's accounts.

DULVERTON, *Chairman.*

H. W. GUNN, *Director.*

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1929.

	£	s.	d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off	4,969,691	14	9
Goodwill, Patent Rights and Trade Marks—at cost (as reduced by sale of goodwill of export business in 1903), less amounts written off	9,422,581	16	0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—			
Shares in Subsidiary Companies 1,855,122 12 3			
Shares and Debentures in Associated Companies ... 8,406,275 8 7			
	10,261,398	0	10
NOTE.—In the aggregate the market value of Investments in Associated Companies is largely in excess of the book value.			
Loans to, and Current Accounts with—			
Subsidiary Companies 515,786 2 7			
Associated Companies 805,211 17 8			
	1,320,998	0	8
Stock-in-Trade, including Leaf in transit—at approximate cost, and Advances to Branches abroad for purchase of Leaf, etc.	29,340,736	11	1
Debtors (less Reserves for Discounts and doubtful Debts)	6,739,805	13	3
Government and other Securities (including Treasury Bills, County Council and Corporation Stocks, Railway Debenture and Preference Stocks, etc.)—at cost or market value, whichever is lower	9,862,441	9	2
Corporation Loans, not officially quoted—at cost	200,000	0	0
Cash at Bankers and in hand	4,426,579	8	8
	£76,544,232	14	0

P. V. ROBERTS
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
H. W. GUNN, *Director.*
R. J. SINCLAIR, *Secretary.*

PROFIT AND LOSS ACCOUNT,

	£	s.	d.
Directors' Fees	10,000	0	0
Transfer to General Reserve Account	487,925	0	0
Balance carried to Balance Sheet (page 8)	9,479,173	7	5
	£9,977,098	7	5

APPROPRIATION

	£	s.	d.	£	s.	d.
Dividends on "A" 5½ per cent. Cumulative Preference Shares—						
Interim Dividend to 30th April 1929, paid 1st July 1929 ...	136,379	7	0			
Final Dividend to 31st October 1929, payable 1st January 1930	136,379	7	0			
				272,758	14	0
Dividends on "B" 6 per cent. Non-Cumulative Preference Shares—						
Interim Dividend to 30th April 1929, paid 1st August 1929 ...	157,814	1	5			
Final Dividend to 31st October 1929, payable 1st February 1930	157,814	1	5			
				315,628	2	10
Dividends on "C" 10 per cent. Non-Cumulative Preference Shares—						
Interim Dividend to 30th April 1929, paid 1st August 1929 ...	131,910	18	0			
Final Dividend to 31st October 1929, payable 1st February 1930	131,910	18	0			
				263,821	16	0
Dividends on Ordinary Shares—						
Interim Dividend of 7 per cent., paid 2nd September 1929 (free of Income Tax)	2,620,773	15	0			
Proposed Final Dividend of 8½ per cent. (free of Income Tax) ...	3,186,873	2	6			
Proposed Bonus of 1s. 6d. per share (free of Income Tax) ...	2,811,946	17	6			
				8,619,593	15	0
Balance carried forward				1,176,468	16	5
				£10,648,271	4	3

for the year ended 31st October 1929.

	£	s.	d.
Net Trading Profit and Interest and Dividends on Investments **(including Dividends from Companies operating outside the United Kingdom)**, and Loans, after providing for Management Remuneration, Depreciation of Freehold Buildings, Plant and Machinery, Taxation, Working Expenses, Head Office and Registration Charges, Bonus to Customers, and Pension Fund Contributions	9,970,581	4	5
Transfer and other Fees	6,517	3	0
	£9,977,098	7	5

ACCOUNT.

	£	s.	d.
Balance from Profit and Loss Account for the year	9,479,173	7	5
Balance of undivided Profit at 31st October 1928	1,169,097	16	10
	£10,648,271	4	3

28

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

TWENTY-EIGHTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS,

FOR THE YEAR ENDED

31st October 1929.

WATERLOW & SONS LIMITED, BIRCHIN LANE, LONDON. (288331)

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The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

TWENTY-NINTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS,

for the year ended 31st October 1930.

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LONDON:
WATERLOW & SONS LIMITED, BIRCHIN LANE, E.C.
1931.

338.7
Im7
1929 [illegible]

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON *(Chairman)*

ROBERT ADKIN
WILLIAM HENRY BLANDY
THE RT. HON. LORD BRADBURY, G.C.B.
SIR WILLIAM ALFRED CHURCHMAN
CHARLES SAMUEL CLARKE
THOMAS RUDING DAVEY
SAMUEL PERCY DAVIES
REGINALD EARLE
GEORGE ADOLPH FALK
ALFRED ROBERT FAULKNER
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
LAWRENCE HIGNETT
WALTER BURNET JAMES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
WILLIAM NELSON MITCHELL
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
FRANCIS ALFRED QUARTLY
LESLIE HARTWELL REED
WILLIAM RENNIE
ERNEST ROBERT STILL
EDWIN SELBY TANSLEY
FREDERICK JOHN WALTERS
WILLIAM STANILAND WALTERS
WALTER MELVILLE WILLS
SIR ERNEST SALTER WILLS, BT.
SIR GEORGE VERNON PROCTOR WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditor.

SIR WILLIAM PLENDER, BT., G.B.E.
(DELOITTE, PLENDER, GRIFFITHS & CO.)

Secretary.

R. J. SINCLAIR

Registered Office.

BRISTOL

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.,

COMBINING:—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	
Mardon, Son & Hall	Bristol.

Twenty-ninth Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1930.

REPORT OF THE DIRECTORS,

To be presented at the Twenty-ninth Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Twenty-ninth Annual Report to the Shareholders, together with the Audited Balance Sheet at the 31st October, 1930, and a Profit and Loss Account for the twelve months ended that date.

2. From the Profit and Loss Account it will be seen that the net Trading Profit for the year was £10,182,976 3 10

to which should be added Transfer and other Fees received 4,069 8 0

£10,187,045 11 10

From this must be deducted :—

Directors' Fees	£10,000 0 0	
Transfer to General Reserve Account	500,000 0 0	
		510,000 0 0
leaving a balance for the year of		9,677,045 11 10
to which must be added the amount brought forward from the Accounts of the preceding year		1,176,468 16 5
making the total profits available for distribution		£10,853,514 8 3

Forward				£10,853,514	8 3
Out of this sum there have been or are to be paid :—					
Dividends on " A " 5½ per cent. Cumulative Preference Shares—					
For the half-year ended 30th April, 1930, paid 1st July, 1930	£136,379	7	0		
For the half-year ended 31st October, 1930, payable 1st January, 1931	136,379	7	0		
Dividends on " B " 6 per cent. Non-Cumulative Preference Shares—					
For the half-year ended 30th April, 1930, paid 1st August, 1930	157,814	1	5		
For the half-year ended 31st October, 1930, payable 2nd February, 1931	157,814	1	5		
Dividends on " C " 10 per cent. Non-Cumulative Preference Shares—					
For the half-year ended 30th April, 1930, paid 1st August, 1930	131,910	18	0		
For the half-year ended 31st October, 1930, payable 2nd February, 1931	131,910	18	0		
Interim Dividend of 7 per cent. on Ordinary Shares, paid 1st September, 1930 (free of Income Tax) ...	2,624,483	15	0		
				3,476,692	7 10
resulting in a balance of				7,376,822	0 5
Out of which it is proposed to pay on the 2nd March next :—					
A Final Dividend of 9 per cent. for the year on Ordinary Shares (free of Income Tax)	3,374,336	5	0		
Bonus on Ordinary Shares of 1s. 6d. per Share (free of Income Tax)	2,811,946	17	6		
				6,186,283	2 6
leaving a balance to be carried forward of				£1,190,538	17 11

3. The Directors retiring by rotation under the Articles of Association are Messrs. Charles Samuel Clarke, George Adolph Falk, Alfred Robert Faulkner, Henry Wills Gunn, Ernest George Mardon, William Goodacre Player, John Ashley Player, Francis Alfred Quartly, William Rennie, Edwin Selby Tansley, and William Staniland Walters. They are eligible, and offer themselves for re-election.

4. The Auditor, Sir William Plender, Bart., G.B.E., of Messrs. Deloitte, Plender, Griffiths & Co., retires, and offers himself for re-election.

5. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 20th day of January, 1931.

On behalf of the Board,

DULVERTON, *Chairman.*

H. W. GUNN, *Director.*

R. J. SINCLAIR, *Secretary.*

ACCOUNTS, 31st October 1930.

THE IMPERIAL TOBACCO COMPANY

BALANCE SHEET,

	£	s.	d.	£	s.	d.
Capital Authorized:						
6,000,000 "A" 5½ per cent. Cumulative Preference Shares	6,000,000	0	0			
6,000,000 "B" 6 per cent. Non-Cumulative Preference Shares ...	6,000,000	0	0			
3,000,000 "C" 10 per cent. Non-Cumulative Preference Shares ...	3,000,000	0	0			
40,000,000 Ordinary Shares	40,000,000	0	0			
	£55,000,000	0	0			
Capital Issued:						
4,959,249 "A" 5½ per cent. Cumulative Preference Shares				4,959,249	0	0
5,260,469 "B" 6 per cent. Non-Cumulative Preference Shares ...				5,260,469	0	0
2,638,218 "C" 10 per cent. Non-Cumulative Preference Shares ...				2,638,218	0	0
37,492,625 Ordinary Shares				37,492,625	0	0
				50,350,561	0	0
Deposits by, and Current Accounts with—						
Subsidiary Companies	368,224	18	6			
Associated Companies	28,732	8	5			
				396,957	6	11
Creditors; Provisions for Taxation and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund; Reserve for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts				14,078,271	18	5
Widows and Orphans Benefit Account				240,294	2	6
General Reserve Account per last Balance Sheet	4,500,000	0	0			
Add: Transfer from Profit and Loss Account for the year ended 31st October 1930	500,000	0	0			
				5,000,000	0	0
Profit and Loss Account—						
Balance for the year (page 10)	9,677,045	11	10			
Balance at 31st October 1929	1,176,468	16	5			
	10,853,514	8	3			
Deduct: Interim Dividends paid on :—						
"A" 5½ per cent. Cumulative Preference Shares £136,379 7 0						
"B" 6 per cent. Non-Cumulative Preference Shares 157,814 1 5						
"C" 10 per cent. Non-Cumulative Preference Shares 131,910 18 0						
Ordinary Shares 2,624,483 15 0						
	3,050,588	1	5			
				7,802,926	6	10
				£77,864,010	9	8

MEMO.—(*a*) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(*b*) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(*c*) There is an uncalled liability on Investments held of £121,125.

AUDITOR'S REPORT TO THE MEMBERS
OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

I have examined the above Balance Sheet dated the 31st October, 1930, with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations I have required. In my opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and the explanations given me, and as shown by the books of the Company.

WM. PLENDER,
Auditor
(DELOITTE, PLENDER, GRIFFITHS & CO.),
Chartered Accountant.

5, LONDON WALL BUILDINGS, E.C. 2.
20th January, 1931.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account on page 11.
A loss was sustained by one Subsidiary Company for the period covered by its last audited accounts. Such loss was met out of the Subsidiary Company's own undivided profits and accordingly has been disregarded in this Company's accounts.

DULVERTON, *Chairman.*

H. W. GUNN, *Director.*

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1930.

	£	s.	d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off	5,120,021	2	5
Goodwill, Patent Rights and Trade Marks—at cost (as reduced by sale of goodwill of export business in 1903), less amounts written off	9,422,581	16	0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—			
Shares in Subsidiary Companies 1,826,235 0 10			
Shares and Debentures in Associated Companies ... 8,630,843 11 10			
	10,457,078	12	8
NOTE.—In the aggregate the market value of Investments in Associated Companies is largely in excess of the book value.			
Loans to, and Current Accounts with—			
Subsidiary Companies 498,201 17 9			
Associated Companies 1,955,073 15 3			
	2,448,275	13	0
Stock-in-Trade, including Leaf in transit—at approximate cost, and Advances to Branches abroad for purchase of Leaf, etc.	28,945,519	11	4
Debtors (less Reserves for Discounts and doubtful Debts)	6,602,223	16	2
Government and other Securities (including Treasury Bills, County Council and Corporation Stocks, Railway Debenture and Preference Stocks, etc.)—at cost or market value, whichever is lower	10,000,671	12	1
Corporation Loans, not officially quoted—at cost	200,000	0	0
Cash at Bankers and in hand	4,667,688	6	0
	£77,864,010	9	8

P. V. ROBERTS,
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
H. W. GUNN, *Director.*
R. J. SINCLAIR, *Secretary.*

PROFIT AND LOSS ACCOUNT,

	£	s.	d.
Directors' Fees	10,000	0	0
Transfer to General Reserve Account	500,000	0	0
Balance carried to Balance Sheet (page 8)	9,677,045	11	10
	£10,187,045	11	10

APPROPRIATION

	£	s.	d.	£	s.	d.
Dividends on "A" 5½ per cent. Cumulative Preference Shares—						
Interim Dividend to 30th April 1930, paid 1st July 1930 ...	136,379	7	0			
Final Dividend to 31st October 1930, payable 1st January 1931	136,379	7	0			
				272,758	14	0
Dividends on "B" 6 per cent. Non-Cumulative Preference Shares—						
Interim Dividend to 30th April 1930, paid 1st August 1930 ...	157,814	1	5			
Final Dividend to 31st October 1930, payable 2nd February 1931	157,814	1	5			
				315,628	2	10
Dividends on "C" 10 per cent. Non-Cumulative Preference Shares—						
Interim Dividend to 30th April 1930, paid 1st August 1930 ...	131,910	18	0			
Final Dividend to 31st October 1930, payable 2nd February 1931	131,910	18	0			
				263,821	16	0
Dividends on Ordinary Shares—						
Interim Dividend of 7 per cent., paid 1st September 1930 (free of Income Tax)	2,624,483	15	0			
Proposed Final Dividend of 9 per cent. (free of Income Tax) ...	3,374,336	5	0			
Proposed Bonus of 1s. 6d. per share (free of Income Tax) ...	2,811,946	17	6			
				8,810,766	17	6
Balance carried forward				1,190,538	17	11
				£10,853,514	8	3

for the year ended 31st October 1930.

	£	s.	d.
Net Trading Profit and Interest and Dividends on Investments **(including Dividends from Companies operating outside the United Kingdom)**, and Loans, after providing for Management Remuneration, Depreciation of Freehold Buildings, Plant and Machinery, Taxation, Working Expenses, Head Office and Registration Charges, Bonus to Customers, and Pension Fund Contributions	10,182,976	3	10
Transfer and other Fees	4,069	8	0
	£10,187,045	11	10

ACCOUNT.

	£	s.	d.
Balance from Profit and Loss Account for the year	9,677,045	11	10
Balance of undivided Profit at 31st October 1929	1,176,468	16	5
	£10,853,514	8	3

29

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

TWENTY-NINTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS,

FOR THE YEAR ENDED

31st October 1930.

WATERLOW & SONS LIMITED, BIRCHIN LANE, LONDON. (208752)

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The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

THIRTIETH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS,

for the year ended 31st October 1931.

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LONDON:
WATERLOW & SONS LIMITED, BIRCHIN LANE, E.C.
1932.

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON *(Chairman)*

ROBERT ADKIN
WILLIAM HENRY BLANDY
THE RT. HON. LORD BRADBURY, G.C.B.
SIR WILLIAM ALFRED CHURCHMAN
CHARLES SAMUEL CLARKE
THOMAS RUDING DAVEY
SAMUEL PERCY DAVIES
REGINALD EARLE
GEORGE ADOLPH FALK
ALFRED ROBERT FAULKNER
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
LAWRENCE HIGNETT
WALTER BURNET JAMES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
WILLIAM NELSON MITCHELL
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
FRANCIS ALFRED QUARTLY
LESLIE HARTWELL REED
WILLIAM RENNIE
EDWIN SELBY TANSLEY
FREDERICK JOHN WALTERS
WILLIAM STANILAND WALTERS
WALTER MELVILLE WILLS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditor.

THE RT. HON. LORD PLENDER, G.B.E.
(DELOITTE, PLENDER, GRIFFITHS & CO.)

Secretary.

R. J. SINCLAIR

Registered Office.

BRISTOL

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.,

COMBINING:—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	
Mardon, Son & Hall	Bristol.

Thirtieth Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1931.

REPORT OF THE DIRECTORS,

To be presented at the Thirtieth Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Thirtieth Annual Report to the Shareholders, together with the Audited Balance Sheet at the 31st October, 1931, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows the following figures:—

Net Trading Profit for the year			£9,882,114 1 10
Add Transfer and other Fees received...			3,949 17 6
			£9,886,063 19 4
Deduct:—			
Directors' Fees	£10,000 0 0		
Transfer to General Reserve Account	500,000 0 0		
		510,000 0 0	
Balance for the year			9,376,063 19 4
Add Amount brought forward from the Accounts of the preceding year ...			1,190,538 17 11
Total Profits available for distribution			£10,566,602 17 3

Forward			£10,566,602 17 3
Out of this sum there have been or are to be paid :—			
Dividends on " A " 5½ per cent. Cumulative Preference Shares—			
For the half-year ended 30th April, 1931, paid 1st July, 1931	£136,379 7 0		
For the half-year ended 31st October, 1931, payable 1st January, 1932	136,379 7 0		
Dividends on " B " 6 per cent. Non-Cumulative Preference Shares—			
For the half-year ended 30th April, 1931, paid 1st August, 1931	157,814 1 5		
For the half-year ended 31st October, 1931, payable 1st February, 1932	157,814 1 5		
Dividends on " C " 10 per cent. Non-Cumulative Preference Shares—			
For the half-year ended 30th April, 1931, paid 1st August, 1931	131,910 18 0		
For the half-year ended 31st October, 1931, payable 1st February, 1932	131,910 18 0		
Interim Dividend of 7 per cent. on Ordinary Shares, paid 1st September, 1931 (free of Income Tax) ...	2,624,483 15 0		
		3,476,692	7 10
resulting in a balance of		7,089,910	9 5
Out of which it is proposed to pay on the 1st March next :—			
A Final Dividend of 8 per cent. for the year on Ordinary Shares (free of Income Tax)	2,999,410 0 0		
Bonus on Ordinary Shares of 1s. 6d. per Share (free of Income Tax)	2,811,946 17 6		
		5,811,356	17 6
leaving a balance to be carried forward of		£1,278,553	11 11

3. The Directors record, with deep regret, the death since the last Report of two of their colleagues, Mr. Ernest Robert Still and Sir George Vernon Proctor Wills, Bt., son of a former Chairman of the Company, the late Sir George Wills, Bt.

Mr. Still was for many years the Company's Solicitor, and Sir Vernon Wills up to the time of his death took an active part in the management of the W. D. & H. O. Wills Branch.

4. The Directors retiring by rotation under the Articles of Association are Mr. Robert Adkin, Sir William Alfred Churchman, Messrs. Samuel Percy Davies, William Inghram Gunn, John Duncan Macdonald, Alexander Black Mitchell, Stephen Mitchell, John Dane Player, Frank Oliver Wills and Sir Ernest Salter Wills, Bt.

They are eligible, and offer themselves for re-election.

5. The Auditor, the Rt. Hon. Lord Plender, G.B.E., of Messrs. Deloitte, Plender, Griffiths and Co., retires, and offers himself for re-election.

6. The Directors again desire to thank the Company's staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 19th day of January, 1932.

On behalf of the Board,

DULVERTON, *Chairman.*

J. D. PLAYER, *Director.*

R. J. SINCLAIR, *Secretary.*

NOTE.—Will Ordinary Shareholders kindly note that the reprint of "The Times" report of the proceedings of the Annual Meeting will be sent out this year with the Dividend Warrants posted on 1st March.

ACCOUNTS, 31st October 1931.

THE IMPERIAL TOBACCO COMPANY

BALANCE SHEET,

	£	s.	d.	£	s.	d.
Capital Authorized:						
6,000,000 "A" 5½ per cent. Cumulative Preference Shares	6,000,000	0	0			
6,000,000 "B" 6 per cent. Non-Cumulative Preference Shares ...	6,000,000	0	0			
3,000,000 "C" 10 per cent. Non-Cumulative Preference Shares ...	3,000,000	0	0			
40,000,000 Ordinary Shares	40,000,000	0	0			
	£55,000,000	0	0			
Capital Issued:						
4,959,249 "A" 5½ per cent. Cumulative Preference Shares				4,959,249	0	0
5,260,469 "B" 6 per cent. Non-Cumulative Preference Shares ...				5,260,469	0	0
2,638,218 "C" 10 per cent. Non-Cumulative Preference Shares ...				2,638,218	0	0
37,492,625 Ordinary Shares				37,492,625	0	0
				50,350,561	0	0
Deposits by, and Current Accounts with—						
Subsidiary Companies	262,376	12	2			
Associated Companies	7,970	1	4			
				270,346	13	6
Creditors; Provisions for Taxation and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund and for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts				14,291,856	3	4
Widows and Orphans Benefit Account				233,331	0	2
General Reserve Account per last Balance Sheet	5,000,000	0	0			
Add: Transfer from Profit and Loss Account for the year ended 31st October 1931	500,000	0	0			
				5,500,000	0	0
Profit and Loss Account—						
Balance for the year (page 10)	9,376,063	19	4			
Balance at 31st October 1930	1,190,538	17	11			
	10,566,602	17	3			
Deduct: Interim Dividends paid on :—						
"A" 5½ per cent. Cumulative Preference Shares £136,379 7 0						
"B" 6 per cent. Non-Cumulative Preference Shares 157,814 1 5						
"C" 10 per cent. Non-Cumulative Preference Shares 131,910 18 0						
Ordinary Shares 2,624,483 15 0						
	3,050,588	1	5			
				7,516,014	15	10
				£78,162,109	12	10

MEMO.—(*a*) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(*b*) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(*c*) There is an uncalled liability on Investments held of £121,125.

AUDITOR'S REPORT TO THE MEMBERS
OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

I have examined the above Balance Sheet dated the 31st October, 1931, with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations I have required. In my opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and the explanations given me, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C. 2.
19*th January*, 1932.

PLENDER,
Auditor
(DELOITTE, PLENDER, GRIFFITHS & Co.),
Chartered Accountant.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account on page 11.
Losses were sustained by three Subsidiary Companies for the period covered by their last audited accounts. Such losses were met out of the Subsidiary Companies' own undivided profits and accordingly have been disregarded in this Company's accounts.

DULVERTON, *Chairman.*

J. D. PLAYER, *Director.*

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1931.

	£	s.	d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off	5,151,424	14	8
Goodwill, Patent Rights and Trade Marks—at cost (as reduced by sale of goodwill of export business in 1903), less amounts written off	9,422,581	16	0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—			
Shares in Subsidiary Companies 1,825,630 17 9			
Shares and Debentures in Associated Companies ... 8,549,558 6 4			
	10,375,189	4	1
NOTE.—In the aggregate the market value of Investments in Associated Companies is largely in excess of the book value.			
Loans to, and Current Accounts with—			
Subsidiary Companies 511,319 11 10			
Associated Companies 1,952,698 18 0			
	2,464,018	9	10
Stock-in-Trade, including Leaf in transit—at approximate cost, and Advances to Branches abroad for purchase of Leaf, etc.	28,123,906	17	7
Debtors (less Reserves for Discounts and doubtful Debts)	6,320,473	6	4
Government and other Securities (including Treasury Bills)—at cost or market value, whichever is lower	11,246,985	7	10
Loans to Corporations and Public Boards, and other Investments not officially quoted—at or under cost	285,231	4	0
Cash at Bankers and in hand	4,772,298	12	6
	£78,162,109	12	10

P. V. ROBERTS,
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
J. D. PLAYER, *Director.*
R. J. SINCLAIR, *Secretary.*

PROFIT AND LOSS ACCOUNT,

	£	s.	d.
Directors' Fees	10,000	0	0
Transfer to General Reserve Account	500,000	0	0
Balance carried to Balance Sheet (page 8)	9,376,063	19	4
	£9,886,063	19	4

APPROPRIATION

	£	s.	d.	£	s.	d.
Dividends on "A" 5½ per cent. Cumulative Preference Shares—						
Interim Dividend to 30th April 1931, paid 1st July 1931 ...	136,379	7	0			
Final Dividend to 31st October 1931, payable 1st January 1932	136,379	7	0			
				272,758	14	0
Dividends on "B" 6 per cent. Non-Cumulative Preference Shares—						
Interim Dividend to 30th April 1931, paid 1st August 1931 ...	157,814	1	5			
Final Dividend to 31st October 1931, payable 1st February 1932	157,814	1	5			
				315,628	2	10
Dividends on "C" 10 per cent. Non-Cumulative Preference Shares—						
Interim Dividend to 30th April 1931, paid 1st August 1931 ...	131,910	18	0			
Final Dividend to 31st October 1931, payable 1st February 1932	131,910	18	0			
				263,821	16	0
Dividends on Ordinary Shares—						
Interim Dividend of 7 per cent., paid 1st September 1931 (free of Income Tax)	2,624,483	15	0			
Proposed Final Dividend of 8 per cent. (free of Income Tax) ...	2,999,410	0	0			
Proposed Bonus of 1s. 6d. per share (free of Income Tax) ...	2,811,946	17	6			
				8,435,840	12	6
Balance carried forward				1,278,553	11	11
				£10,566,602	17	3

for the year ended 31st October 1931.

	£	s.	d.
Net Trading Profit and Interest and Dividends on Investments (**including Dividends from Companies operating outside the United Kingdom**), and Loans, after providing for Management Remuneration, Depreciation of Freehold Buildings, Plant and Machinery, Taxation, Working Expenses, Head Office and Registration Charges, Bonus to Customers, Pension Fund Contributions, etc.	9,882,114	1	10
Transfer and other Fees	3,949	17	6
	£9,886,063	19	4

ACCOUNT.

	£	s.	d.
Balance from Profit and Loss Account for the year	9,376,063	19	4
Balance of undivided Profit at 31st October 1930	1,190,538	17	11
	£10,566,602	17	3

30

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

THIRTIETH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS,

FOR THE YEAR ENDED

31st October 1931.

WATERLOW & SONS LIMITED, BIRCHIN LANE, LONDON. (169830)

338.7
Im7
1931/32

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The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

THIRTY-FIRST

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS,

for the year ended 31st October 1932.

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LONDON:
WATERLOW & SONS LIMITED, BIRCHIN LANE, E.C.
1933.

337
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1931/32

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON *(Chairman)*

ROBERT ADKIN
WILLIAM HENRY BLANDY
THE RT. HON. LORD BRADBURY, G.C.B.
SIR WILLIAM ALFRED CHURCHMAN
CHARLES SAMUEL CLARKE
THOMAS RUDING DAVEY
SAMUEL PERCY DAVIES
REGINALD EARLE
GEORGE ADOLPH FALK
ALFRED ROBERT FAULKNER
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
LAWRENCE HIGNETT
WALTER BURNET JAMES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
WILLIAM NELSON MITCHELL
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
FRANCIS ALFRED QUARTLY
LESLIE HARTWELL REED
WILLIAM RENNIE
THOMAS MURRAY SOWERBY
EDWIN SELBY TANSLEY
FREDERICK JOHN WALTERS
WILLIAM STANILAND WALTERS
WALTER MELVILLE WILLS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditor.

THE RT. HON. LORD PLENDER, G.B.E.
(DELOITTE, PLENDER, GRIFFITHS & CO.)

Secretary.

R. J. SINCLAIR

Registered Office.

BRISTOL

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.,

COMBINING:—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	
Mardon, Son & Hall	Bristol.

Thirty-first Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1932.

REPORT OF THE DIRECTORS,

To be presented at the Thirty-first Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Thirty-first Annual Report to the Members, together with the Audited Balance Sheet at the 31st October, 1932, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows the following figures :—

Net Trading Profit for the year		£8,653,107 1 11
Add Transfer and other Fees received		3,791 5 0
		£8,656,898 6 11
Deduct :—		
Directors' Fees	£10,000 0 0	
Transfer to General Reserve Account	500,000 0 0	
		510,000 0 0
Balance for the year		8,146,898 6 11
Add Amount brought forward from the Accounts of the preceding year ...		1,278,553 11 11
Total Profits available for distribution		£9,425,451 18 10

Forward				£9,425,451 18 10
Out of this sum there have been or are to be paid :—				
Dividends on " A " 5½ per cent. Cumulative Preference Stock :—				
For the half-year ended 30th April, 1932, paid 1st July, 1932	£136,379	7	0	
For the half-year ended 31st October, 1932, payable 2nd January, 1933	136,379	7	0	
Dividends on " B " 6 per cent. Non-Cumulative Preference Stock :—				
For the half-year ended 30th April, 1932, paid 1st August, 1932	157,814	1	5	
For the half-year ended 31st October, 1932, payable 1st February, 1933	157,814	1	5	
Dividends on " C " 10 per cent. Non-Cumulative Preference Stock :—				
For the half-year ended 30th April, 1932, paid 1st August, 1932	131,910	18	0	
For the half-year ended 31st October, 1932, payable 1st February, 1933	131,910	18	0	
Interim Dividend of 6½ per cent. on Ordinary Stock, paid 1st September, 1932 (free of Income Tax) ...	2,437,020	12	6	
				3,289,229 5 4
resulting in a balance of				6,136,222 13 6
Out of which it is proposed to pay on the 1st March next :—				
A Final Dividend of 8½ per cent. for the year on Ordinary Stock (free of Income Tax)	3,186,873	2	6	
Bonus on Ordinary Stock of 1s. 0d. per £1 of Stock (free of Income Tax)	1,874,631	5	0	
				5,061,504 7 6
leaving a balance to be carried forward of				£1,074,718 6 0

3. Since the last Ordinary General Meeting, the Board have appointed Mr. Thomas Murray Sowerby a Director of the Company. Under the Articles of Association he offers himself for election by the Members.

4. The Directors retiring by rotation under the Articles of Association are The Rt. Hon. Lord Bradbury of Winsford, G.C.B., Messrs. William Henry Blandy, Thomas Ruding Davey, Reginald Earle, Lawrence Hignett, Walter Burnet James, William Nelson Mitchell, Leslie Hartwell Reed, Frederick John Walters, and Walter Melville Wills. They are eligible and offer themselves for re-election.

5. The Auditor, The Rt. Hon. Lord Plender, G.B.E., of Messrs. Deloitte, Plender, Griffiths and Co., retires, and offers himself for re-election.

6. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 24th day of January, 1933.

On behalf of the Board,

DULVERTON, *Chairman.*

J. D. PLAYER, *Director.*

R. J. SINCLAIR, *Secretary.*

NOTE.—Will Ordinary Stockholders kindly note that the reprint of "The Times" report of the proceedings of the Annual Meeting will be sent out with the Dividend Warrants posted on 1st March.

ACCOUNTS, 31st October 1932.

THE IMPERIAL TOBACCO COMPANY

BALANCE SHEET,

	AUTHORISED in Shares of £1 each.			ISSUED and converted into Stock.		
CAPITAL—	£	s.	d.	£	s.	d.
"A" 5½ per cent. Cumulative Preference Shares	6,000,000	0	0	4,959,249	0	0
"B" 6 per cent. Non-Cumulative Preference Shares	6,000,000	0	0	5,260,469	0	0
"C" 10 per cent. Non-Cumulative Preference Shares	3,000,000	0	0	2,638,218	0	0
Ordinary Shares	40,000,000	0	0	37,492,625	0	0
	£55,000,000	0	0	50,350,561	0	0
Deposits by, and Current Accounts with—						
Subsidiary Companies	298,125	10	0			
Associated Companies	9,552	10	0			
				307,678	0	0
Creditors; Provisions for Taxation and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund and for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts				13,928,972	10	0
Widows and Orphans Benefit Account				223,809	19	4
General Reserve Account per last Balance Sheet	5,500,000	0	0			
Add: Transfer from Profit and Loss Account for the year ended 31st October 1932...	500,000	0	0			
				6,000,000	0	0
Profit and Loss Account—						
Balance for the year (page 10)	8,146,898	6	11			
Balance at 31st October 1931	1,278,553	11	11			
	9,425,451	18	10			
Deduct: Interim Dividends paid on :—						
"A" 5½ per cent. Cumulative Preference Stock £136,379 7 0						
"B" 6 per cent. Non-Cumulative Preference Stock 157,814 1 5						
"C" 10 per cent. Non-Cumulative Preference Stock 131,910 18 0						
Ordinary Stock 2,437,020 12 6						
	2,863,124	18	11			
				6,562,326	19	11
				£77,373,348	9	8

MEMO.—(*a*) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(*b*) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(*c*) There is an uncalled liability on Investments held of £121,125.

AUDITOR'S REPORT TO THE MEMBERS
OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

I have examined the above Balance Sheet dated the 31st October, 1932, with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations I have required. In my opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and the explanations given me, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C. 2.
24th January, 1933.

PLENDER,
Auditor
(DELOITTE, PLENDER, GRIFFITHS & Co.),
Chartered Accountant.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account on page 11.

DULVERTON, *Chairman.*

J. D. PLAYER, *Director.*

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1932.

	£	s.	d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off	5,072,674	9	7
Goodwill, Patent Rights and Trade Marks—at cost (as reduced by sale of goodwill of export business in 1903), less amounts written off	9,422,581	16	0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—			
Shares in Subsidiary Companies £3,051,738 18 2			
Shares and Debentures in Associated Companies ... 8,603,538 11 5			
	11,655,277	9	7
NOTE.—In the aggregate the market value of Investments in Associated Companies is largely in excess of the book value.			
Loans to, and Current Accounts with—			
Subsidiary Companies 485,827 3 7			
Associated Companies 1,955,775 16 8			
	2,441,602	19	10
Stock-in-Trade, including Leaf in transit—at approximate cost, and Advances to Branches abroad for purchase of Leaf, etc.	24,907,014	10	11
Debtors (less Reserves for Discounts and doubtful Debts)	6,542,452	17	7
Government and other Securities (including Treasury Bills)—at cost or market value, whichever is lower	11,950,036	16	4
Loans to Corporations and Public Boards, and other Investments not officially quoted—at or under cost	781,478	0	0
Cash at Bankers and in hand	4,600,229	9	5
	£77,373,348	9	3

P. V. ROBERTS
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
J. D. PLAYER, *Director.*
R. J. SINCLAIR, *Secretary.*

PROFIT AND LOSS ACCOUNT,

	£	s.	d.
Directors' Fees	10,000	0	0
Transfer to General Reserve Account	500,000	0	0
Balance carried to Balance Sheet (page 8)	8,146,898	6	11
	£8,656,898	6	11

APPROPRIATION

	£	s.	d.	£	s.	d.
Dividends on "A" 5½ per cent. Cumulative Preference Stock—						
Interim Dividend to 30th April 1932, paid 1st July 1932 ...	136,379	7	0			
Final Dividend to 31st October 1932, payable 2nd January 1933	136,379	7	0			
				272,758	14	0
Dividends on "B" 6 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1932, paid 1st August 1932 ...	157,814	1	5			
Final Dividend to 31st October 1932, payable 1st February 1933	157,814	1	5			
				315,628	2	10
Dividends on "C" 10 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1932, paid 1st August 1932 ...	131,910	18	0			
Final Dividend to 31st October 1932, payable 1st February 1933	131,910	18	0			
				263,821	16	0
Dividends on Ordinary Stock—						
Interim Dividend of 6½ per cent., paid 1st September 1932 (free of Income Tax)	2,437,020	12	6			
Proposed Final Dividend of 8½ per cent. (free of Income Tax) ...	3,186,873	2	6			
Proposed Bonus of 1s. 0d. per £1 of Stock (free of Income Tax)...	1,874,631	5	0			
				7,498,525	0	0
Balance carried forward				1,074,718	6	0
				£9,425,451	18	10

for the year ended 31st October 1932.

	£	s.	d.
Net Trading Profit and Interest and Dividends on Investments **(including Dividends from Companies operating outside the United Kingdom)**, and Loans, after providing for Management Remuneration, Depreciation of Freehold Buildings, Plant and Machinery, Taxation, Working Expenses, Head Office and Registration Charges, Bonus to Customers, Pension Fund Contributions, etc.	8,653,107	1	11
Transfer and other Fees	3,791	5	0
	£8,656,898	6	11

ACCOUNT.

	£	s.	d.
Balance from Profit and Loss Account for the year	8,146,898	6	11
Balance of undivided Profit at 31st October 1931	1,278,553	11	11
	£9,425,451	18	10

31

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

THIRTY-FIRST

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS,

FOR THE YEAR ENDED

31st October 1932.

WATERLOW & SONS LIMITED. BIRCHIN LANE, LONDON. (230706)

338.7
Im7
1932/33

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The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

THIRTY-SECOND

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

for the year ended 31st October 1933.

WATERLOW & SONS LIMITED, LONDON WALL, LONDON
1934.

338.7
Im7
1932/33

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON *(Chairman)*

ROBERT ADKIN
WILLIAM HENRY BLANDY
THE RT. HON. LORD BRADBURY, G.C.B.
SIR WILLIAM ALFRED CHURCHMAN
CHARLES SAMUEL CLARKE
THOMAS RUDING DAVEY
REGINALD EARLE
GEORGE ADOLPH FALK
ALFRED ROBERT FAULKNER
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
LAWRENCE HIGNETT
WALTER BURNET JAMES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
WILLIAM NELSON MITCHELL
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
FRANCIS ALFRED QUARTLY
LESLIE HARTWELL REED
WILLIAM RENNIE
ROBERT JOHN SINCLAIR
THOMAS MURRAY SOWERBY
EDWIN SELBY TANSLEY
FREDERICK JOHN WALTERS
WILLIAM STANILAND WALTERS
WALTER MELVILLE WILLS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditor.

THE RT. HON. LORD PLENDER, G.B.E.
(DELOITTE, PLENDER, GRIFFITHS & CO.)

Secretary.

R. J. SINCLAIR

Registered Office.

BRISTOL

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.,

COMBINING:—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	
Mardon, Son & Hall	Bristol.

Thirty-second Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1933.

REPORT OF THE DIRECTORS.

To be presented at the Thirty-second Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Thirty-second Annual Report to the Members, together with the Audited Balance Sheet at the 31st October 1933, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows the following figures :—

Net Trading Profit for the year	£7,598,910	18	1
Amount set aside previously for Special Advertising, no longer required	521,047	5	5
Transfer and other Fees received	4,650	2	0
	8,124,608	5	6
Deduct :—			
Directors' Fees	10,000	0	0
Balance for the year	8,114,608	5	6
Add Amount brought forward from the Accounts of the preceding year	1,074,718	6	0
Total Profits available for distribution	£9,189,326	11	6

Forward ...			£9,189,326 11 6
Out of this sum there have been or are to be paid :—			
Dividends on "A" 5½ per cent. Cumulative Preference Stock :—			
For the half-year ended 30th April, 1933, paid 1st July, 1933	136,379 7 0		
For the half-year ended 31st October, 1933, payable 1st January, 1934...	136,379 7 0		
Dividends on "B" 6 per cent. Non-Cumulative Preference Stock :—			
For the half-year ended 30th April, 1933, paid 1st August, 1933	157,814 1 5		
For the half-year ended 31st October, 1933, payable 1st February, 1934	157,814 1 5		
Dividends on "C" 10 per cent. Non-Cumulative Preference Stock :—			
For the half-year ended 30th April, 1933, paid 1st August, 1933	131,910 18 0		
For the half-year ended 31st October, 1933, payable 1st February, 1934	131,910 18 0		
Interim Dividend of 6½ per cent. on Ordinary Stock, paid 1st September,1933 (free of Income Tax)	2,437,020 12 6		
		3,289,229 5 4	
resulting in a balance of		5,900,097 6 2	
Out of which it is proposed to pay on the 1st March next :—			
A Final Dividend of 8½ per cent. for the year on Ordinary Stock (free of Income Tax)	3,186,873 2 6		
Bonus on Ordinary Stock of 1s. 0d. per £1 of Stock (free of Income Tax)	1,874,631 5 0		
		5,061,504 7 6	
leaving a balance to be carried forward of		£838,592 18 8	

3. Since the last Ordinary General Meeting, Mr. Samuel Percy Davies has resigned his position as a Director in consequence of ill-health and his resignation has been accepted with regret. The Board have appointed Mr. Robert John Sinclair a Director of the Company, and under the Articles of Association he offers himself for election by the Members.

4. The Directors retiring by rotation under the Articles of Association are The Rt. Hon. Lord Dulverton of Batsford, Messrs. Charles Samuel Clarke, George Adolph Falk, Alfred Robert Faulkner, Ernest George Mardon, John Ashley Player, Francis Alfred Quartly, William Rennie, Edwin Selby Tansley, and William Staniland Walters. They are eligible and offer themselves for re-election.

5. The Auditor, The Rt. Hon. Lord Plender, G.B.E., of Messrs. Deloitte, Plender, Griffiths and Co., retires, and offers himself for re-election.

6. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 23rd day of January, 1934.

On behalf of the Board,

DULVERTON, *Chairman.*

H. W. GUNN, *Director.*

R. J. SINCLAIR, *Secretary.*

NOTE.—Will Ordinary Stockholders kindly note that the reprint of "The Times" report of the proceedings of the Annual Meeting will be sent out with the Dividend Warrants posted on 1st March.

ACCOUNTS, 31st October 1933.

THE IMPERIAL TOBACCO COMPANY

BALANCE SHEET,

	AUTHORISED in Shares of £1 each.			ISSUED and converted into Stock.		
CAPITAL—	£	s.	d.	£	s.	d.
"A" 5½ per cent. Cumulative Preference Shares	6,000,000	0	0	4,959,249	0	0
"B" 6 per cent. Non-Cumulative Preference Shares	6,000,000	0	0	5,260,469	0	0
"C" 10 per cent. Non-Cumulative Preference Shares	3,000,000	0	0	2,638,218	0	0
Ordinary Shares	40,000,000	0	0	37,492,625	0	0
	£55,000,000	0	0	50,350,561	0	0
Deposits by, and Current Accounts with—						
Subsidiary Companies...	377,656	18	8			
Associated Companies...	9,500	0	0			
				387,156	18	8
Creditors; Provisions for Taxation and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund and for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts				13,138,947	1	3
Widows and Orphans Benefit Account				214,805	6	2
General Reserve Account per last Balance Sheet				6,000,000	0	0
Profit and Loss Account—						
Balance for the year (page 10)	8,114,608	5	6			
Balance at 31st October 1932	1,074,718	6	0			
	9,189,326	11	6			
Deduct: Interim Dividends paid on :—						
"A" 5½ per cent. Cumulative Preference Stock 136,379 7 0						
"B" 6 per cent. Non-Cumulative Preference Stock 157,814 1 5						
"C" 10 per cent. Non-Cumulative Preference Stock 131,910 18 0						
Ordinary Stock 2,437,020 12 6						
	2,863,124	18	11			
				6,326,201	12	7
				£76,417,671	18	8

MEMO.—(*a*) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(*b*) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(*c*) There is an uncalled liability on Investments held of £135,875.

AUDITOR'S REPORT TO THE MEMBERS
OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

I have examined the above Balance Sheet dated the 31st October, 1933, with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations I have required. In my opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and the explanations given me, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C. 2,
23rd January, 1934.

PLENDER,
Auditor
(DELOITTE, PLENDER, GRIFFITHS & Co.),
Chartered Accountant.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account on page 11.

A loss was sustained by one Subsidiary Company for the period covered by its last Audited accounts. Such loss was met out of the Subsidiary Company's own undivided profits and has been disregarded in this Company's accounts.

DULVERTON, *Chairman.*

H. W. GUNN, *Director.*

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1933.

			£	s.	d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off			4,833,223	19	2
Goodwill, Patent Rights and Trade Marks—at cost (as reduced by sale of goodwill of export business in 1903), less amounts written off			9,422,581	16	0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—					
Shares in Subsidiary Companies	3,172,216	14 4			
Shares and Debentures in Associated Companies ...	8,601,679	16 7			
			11,773,896	10	11
NOTE.—In the aggregate the market value of Investments in Associated Companies is largely in excess of the book value.					
Loans to, and Current Accounts with—					
Subsidiary Companies	394,297	13 2			
Associated Companies	933,829	13 5			
			1,328,127	6	7
Stock-in-Trade, including Leaf in transit—at approximate cost, and Advances to Branches abroad for purchase of Leaf, etc.			23,553,681	14	1
Debtors (less Reserves for Discounts and doubtful Debts)			6,690,533	12	10
Government and other Securities (including Treasury Bills)—at cost, less amounts written off in those cases where depreciation has taken place ... ... (Market Value at 31st October, 1933—£13,537,631 4s. 2d.)			12,442,536	10	6
Loans to Corporations and Public Boards, and other Investments not officially quoted—at or under cost			1,698,261	10	0
Cash at Bankers and in hand			4,674,828	18	7
			£76,417,671	18	8

P. V. ROBERTS
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
H. W. GUNN, *Director.*
R. J. SINCLAIR, *Secretary.*

PROFIT AND LOSS ACCOUNT,

	£	s.	d.
Directors' Fees	10,000	0	0
Balance carried to Balance Sheet (page 8)	8,114,608	5	6
	£8,124,608	5	6

APPROPRIATION

	£	s.	d.	£	s.	d.
Dividends on "A" 5½ per cent. Cumulative Preference Stock—						
Interim Dividend to 30th April 1933, paid 1st July 1933 ...	136,379	7	0			
Final Dividend to 31st October 1933, payable 1st January 1934	136,379	7	0			
				272,758	14	0
Dividends on "B" 6 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1933, paid 1st August 1933 ...	157,814	1	5			
Final Dividend to 31st October 1933, payable 1st February 1934	157,814	1	5			
				315,628	2	10
Dividends on "C" 10 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1933, paid 1st August 1933 ...	131,910	18	0			
Final Dividend to 31st October 1933, payable 1st February 1934	131,910	18	0			
				263,821	16	0
Dividends on Ordinary Stock—						
Interim Dividend of 6½ per cent., paid 1st September 1933 (free of Income Tax)	2,437,020	12	6			
Proposed Final Dividend of 8½ per cent. (free of Income Tax) ...	3,186,873	2	6			
Proposed Bonus of 1s. 0d. per £1 of Stock (free of Income Tax)...	1,874,631	5	0			
				7,498,525	0	0
Balance carried forward				838,592	18	8
				£9,189,326	11	6

for the year ended 31st October 1933.

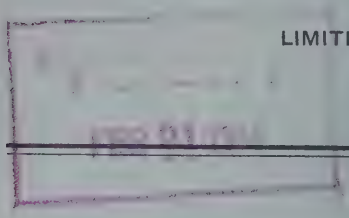
	£	s.	d.	£	s.	d.
Net Trading Profit and Interest and Dividends on Investments **(including Dividends from Companies operating outside the United Kingdom)**, and Loans, after providing for Management Remuneration, Depreciation of Buildings, Plant and Machinery, Taxation, Working Expenses, Head Office and Registration Charges, Bonus to Customers, Pension Fund Contributions, etc.	7,598,910	18	1			
Amount set aside previously for Special Advertising, no longer required	521,047	5	5			
				8,119,958	3	6
Transfer and other Fees				4,650	2	0
				£8,124,608	5	6

ACCOUNT.

	£	s.	d.
Balance from Profit and Loss Account for the year	8,114,608	5	6
Balance of undivided Profit at 31st October 1932	1,074,718	6	0
	£9,189,326	11	6

32

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.



THIRTY-SECOND

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31st October 1933.

WATERLOW & SONS LIMITED, LONDON WALL, LONDON. (261726)

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The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

THIRTY-THIRD

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

for the year ended 31st October 1934.

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WATERLOW & SONS LIMITED, LONDON WALL, LONDON.
1935.

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1933/34

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON *(Chairman)*

ROBERT ADKIN
WILLIAM HENRY BLANDY
THE RT. HON. LORD BRADBURY, G.C.B.
SIR WILLIAM ALFRED CHURCHMAN
CHARLES SAMUEL CLARKE
THOMAS RUDING DAVEY
REGINALD EARLE
GEORGE ADOLPH FALK
ALFRED ROBERT FAULKNER
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
LAWRENCE HIGNETT
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
WILLIAM NELSON MITCHELL
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
FRANCIS ALFRED QUARTLY
LESLIE HARTWELL REED
WILLIAM RENNIE
ROBERT JOHN SINCLAIR
THOMAS MURRAY SOWERBY
EDWIN SELBY TANSLEY
WILLIAM STANILAND WALTERS
WALTER MELVILLE WILLS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditor.

THE RT. HON. LORD PLENDER, G.B.E.
(DELOITTE, PLENDER, GRIFFITHS & CO.)

Secretary.

R. J. SINCLAIR

Registered Office.

BRISTOL

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.,

COMBINING:—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	
Mardon, Son & Hall	Bristol.

Thirty-third Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1934.

REPORT OF THE DIRECTORS.

To be presented at the Thirty-third Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Thirty-third Annual Report to the Members, together with the Audited Balance Sheet at the 31st October 1934, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows the following figures:—

Net Trading Profit for the year	£9,594,976 8 11
Transfer and other Fees received	4,032 3 6
	9,599,008 12 5
Deduct:—	
Directors' Fees	10,000 0 0
Balance for the year	9,589,008 12 5
Add Amount brought forward from the Accounts of the preceding year	838,592 18 8
Total Profits available for distribution	£10,427,601 11 1

Forward		£10,427,601 11 1
Out of this sum there have been or are to be paid :—		
Dividends on " A " 5½ per cent. Cumulative Preference Stock :—		
For the half-year ended 30th April 1934, paid 2nd July 1934	136,379 7 0	
For the half-year ended 31st October 1934, payable 1st January 1935	136,379 7 0	
Dividends on " B " 6 per cent. Non-Cumulative Preference Stock :—		
For the half-year ended 30th April 1934, paid 1st August 1934	157,814 1 5	
For the half-year ended 31st October 1934, payable 1st February 1935	157,814 1 5	
Dividends on " C " 10 per cent. Non-Cumulative Preference Stock :—		
For the half-year ended 30th April 1934, paid 1st August 1934	131,910 18 0	
For the half-year ended 31st October 1934, payable 1st February 1935	131,910 18 0	
Interim Dividend of 7½ per cent. on Ordinary Stock, paid 1st September 1934 (free of Income Tax)	2,811,946 17 6	
		3,664,155 10 4
resulting in a balance of		6,763,446 0 9
Out of which it is proposed to pay on the 1st March next :—		
A Final Dividend of 7½ per cent. for the year on Ordinary Stock (free of Income Tax)	2,811,946 17 6	
Bonus on Ordinary Stock of 1s. 6d. per £1 of Stock (free of Income Tax)	2,811,946 17 6	
		5,623,893 15 0
leaving a balance to be carried forward of		£1,139,552 5 9

3. Since the last Ordinary General Meeting, Mr. Walter Burnet James and Mr. Frederick John Walters have resigned their positions as Directors. Their resignations have been accepted with regret.

4. The Directors retiring by rotation under the Articles of Association are Mr. Robert Adkin, Sir William Alfred Churchman, Messrs. Henry Wills Gunn, William Inghram Gunn, John Duncan Macdonald, Alexander Black Mitchell, Stephen Mitchell, William Goodacre Player, Sir Ernest Salter Wills, Bt., and Mr. Frank Oliver Wills. They are eligible and offer themselves for re-election.

5. The Auditor, the Rt. Hon. Lord Plender, G.B.E., of Messrs. Deloitte, Plender, Griffiths and Co., retires and offers himself for re-election.

6. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 22nd day of January 1935.

On behalf of the Board,

DULVERTON, *Chairman.*
J. D. PLAYER, *Director.*
R. J. SINCLAIR, *Secretary.*

NOTE.—Will Ordinary Stockholders kindly note that the reprint of "The Times" report of the proceedings of the Annual Meeting will be sent out with the Dividend Warrants posted on 1st March.

ACCOUNTS, 31st October 1934.

THE IMPERIAL TOBACCO COMPANY

BALANCE SHEET,

CAPITAL—				AUTHORISED in Shares of £1 each.			ISSUED and converted into Stock.	
				£	s.	d.	£	s. d.
"A" 5½ per cent. Cumulative Preference Shares				6,000,000	0	0	4,959,249	0 0
"B" 6 per cent. Non-Cumulative Preference Shares				6,000,000	0	0	5,260,469	0 0
"C" 10 per cent. Non-Cumulative Preference Shares				3,000,000	0	0	2,638,218	0 0
Ordinary Shares				40,000,000	0	0	37,492,625	0 0
				£55,000,000	0	0	50,350,561	0 0
Deposits by, and Current Accounts with—								
Subsidiary Companies...				569,067	18	10		
Associated Companies...				4,704	17	5		
							573,772	16 3
Creditors; Provisions for Taxation and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund and for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts							15,219,543	18 6
Widows and Orphans Benefit Account							204,826	12 5
General Reserve Account per last Balance Sheet							6,000,000	0 0
Profit and Loss Account—								
Balance for the year (page 10)				9,589,008	12	5		
Balance at 31st October 1933				838,592	18	8		
				10,427,601	11	1		
Deduct: Interim Dividends paid on :—								
"A" 5½ per cent. Cumulative Preference Stock			136,379	7	0			
"B" 6 per cent. Non-Cumulative Preference Stock			157,814	1	5			
"C" 10 per cent. Non-Cumulative Preference Stock			131,910	18	0			
Ordinary Stock			2,811,946	17	6			
				3,238,051	3	11		
							7,189,550	7 2
							£79,538,254	14 4

MEMO.—(a) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(b) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(c) There is an uncalled liability on Investments held of £78,441.

AUDITOR'S REPORT TO THE MEMBERS
OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

I have examined the above Balance Sheet dated the 31st October, 1934, with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations I have required. In my opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and the explanations given me, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C. 2.
22*nd January* 1935.

PLENDER,
Auditor
(DELOITTE, PLENDER, GRIFFITHS & Co.)
Chartered Accountant.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account on page 11.

A loss was sustained by one Subsidiary Company for the period covered by its last audited accounts. Such loss has been provided for in this Company's accounts before showing the net profit for the year to 31st October 1934.

DULVERTON, *Chairman.*

J. D. PLAYER, *Director.*

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1934.

	£	s.	d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off	4,814,427	12	10
Goodwill, Patent Rights and Trade Marks—at cost (as reduced by sale of goodwill of export business in 1903), less amounts written off	9,422,581	16	0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—			
Shares in Subsidiary Companies 3,195,999 19 4			
Shares and Debentures in Associated Companies ... 8,597,208 2 11			
	11,793,208	2	3
NOTE.—In the aggregate the market value of Investments in Associated Companies is largely in excess of the book value.			
Loans to, and Current Accounts with—			
Subsidiary Companies 404,808 6 6			
Associated Companies 959,303 1 8			
	1,364,111	8	2
Stock-in-Trade, including Leaf in transit—at approximate cost, and Advances to Branches abroad for purchase of Leaf, etc.	29,257,327	6	5
Debtors (less Reserves for Discounts and doubtful Debts)	7,900,079	13	7
Government and other Securities—at cost, less amounts written off in those cases where depreciation has taken place ... ... (Market Value at 31st October, 1934—£8,939,253 4s. 8d.)	8,297,894	18	6
Loans to Corporations and Public Boards, and other Investments not officially quoted—at or under cost	2,694,066	16	9
Cash at Bankers and in hand	3,994,556	19	10
	£79,538,254	14	4

P. V. ROBERTS,
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
J. D. PLAYER, *Director.*
R. J. SINCLAIR, *Secretary.*

PROFIT AND LOSS ACCOUNT,

	£	s.	d.
Directors' Fees	10,000	0	0
Balance carried to Balance Sheet (page 8)	9,589,008	12	5
	£9,599,008	12	5

APPROPRIATION

	£	s.	d.	£	s.	d.
Dividends on "A" 5½ per cent. Cumulative Preference Stock—						
Interim Dividend to 30th April 1934, paid 2nd July 1934 ...	136,379	7	0			
Final Dividend to 31st October 1934, payable 1st January 1935	136,379	7	0			
				272,758	14	0
Dividends on "B" 6 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1934, paid 1st August 1934 ...	157,814	1	5			
Final Dividend to 31st October 1934, payable 1st February 1935	157,814	1	5			
				315,628	2	10
Dividends on "C" 10 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1934, paid 1st August 1934 ...	131,910	18	0			
Final Dividend to 31st October 1934, payable 1st February 1935	131,910	18	0			
				263,821	16	0
Dividends on Ordinary Stock—						
Interim Dividend of 7½ per cent., paid 1st September 1934 (free of Income Tax)	2,811,946	17	6			
Proposed Final Dividend of 7½ per cent. (free of Income Tax) ...	2,811,946	17	6			
Proposed Bonus of 1s. 6d. per £1 of Stock (free of Income Tax)...	2,811,946	17	6			
				8,435,840	12	6
Balance carried forward				1,139,552	5	9
				£10,427,601	11	1

for the year ended 31st October 1934.

	£	s.	d.
Net Trading Profit and Interest and Dividends on Investments and Loans (**including Dividends from Companies operating outside the United Kingdom**), after providing for Management Remuneration, Depreciation of Buildings, Depreciation (including renewals) of Plant and Machinery, Taxation, Working Expenses, Head Office and Registration Charges, Bonus to Customers, Pension Fund Contributions, etc.	9,594,976	8	11
Transfer and other Fees	4,032	3	6
	£9,599,008	12	5

ACCOUNT.

	£	s.	d.
Balance from Profit and Loss Account for the year	9,589,008	12	5
Balance of undivided Profit at 31st October 1933	838,592	18	8
	£10,427,601	11	1

33

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

THIRTY-THIRD

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31st October 1934.

WATERLOW & SONS LIMITED, LONDON WALL, LONDON. (175611)

338.7
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1934/35

The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

THIRTY-FOURTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

for the year ended 31st October 1935.

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WATERLOW & SONS LIMITED, LONDON WALL, LONDON
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1934/35

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON *(Chairman)*

WILLIAM HENRY BLANDY
THE RT. HON. LORD BRADBURY, G.C.B.
SIR WILLIAM ALFRED CHURCHMAN
CHARLES SAMUEL CLARKE
THOMAS RUDING DAVEY
REGINALD EARLE
GEORGE ADOLPH FALK
ALFRED ROBERT FAULKNER
HUMPHREY FRANK FIELD
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
CEDRIC CHARLES WALTER HAVELL
LAWRENCE HIGNETT
BRIG.-GEN. HERBERT ARTHUR JONES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
JOHN McKERRELL McKERRELL-BROWN
WILLIAM NELSON MITCHELL
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
FRANCIS ALFRED QUARTLY
LESLIE HARTWELL REED
WILLIAM RENNIE
ROBERT JOHN SINCLAIR
THOMAS MURRAY SOWERBY
EDWIN SELBY TANSLEY
WILLIAM STANILAND WALTERS
WALTER MELVILLE WILLS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditors.

DELOITTE, PLENDER, GRIFFITHS & CO.

Secretary.

R. J. SINCLAIR

Registered Office.

BRISTOL

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.,

COMBINING:—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	
Mardon, Son & Hall	Bristol.

Thirty-fourth Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1935.

REPORT OF THE DIRECTORS.

To be presented at the Thirty-fourth Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Thirty-fourth Annual Report to the Members, together with the Audited Balance Sheet at the 31st October, 1935, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows the following figures :—

Net Trading Profit for the year			£10,274,603 16 1
Transfer and other Fees received			3,606 1 3
			£10,278,209 17 4
Deduct—			
Directors' Fees	£10,000 0 0		
Transfer to General Reserve Account	500,000 0 0		
		510,000 0 0	
Balance for the Year			9,768,209 17 4
Add—Amount brought forward from the Accounts of the preceding year ...			1,139,552 5 9
Total Profits available for distribution			£10,907,762 3 1

Forward... ...				£10,907,762	3 1
Out of this sum there have been or are to be paid :—					
Dividends on " A " 5½ per cent. Cumulative Preference Stock :—					
For the half-year ended 30th April, 1935, paid 1st July, 1935	136,379	7	0		
For the half-year ended 31st October, 1935, payable 1st January, 1936	136,379	7	0		
Dividends on " B " 6 per cent. Non-Cumulative Preference Stock :—					
For the half-year ended 30th April, 1935, paid 1st August, 1935	157,814	1	5		
For the half-year ended 31st October, 1935, payable 1st February, 1936	157,814	1	5		
Dividends on " C " 10 per cent. Non-Cumulative Preference Stock :—					
For the half-year ended 30th April, 1935, paid 1st August, 1935	131,910	18	0		
For the half-year ended 31st October, 1935, payable 1st February, 1936	131,910	18	0		
Interim Dividend of 7½ per cent. on Ordinary Stock, paid 2nd September, 1935 (free of Income Tax) ...	2,817,228	13	6		
				3,669,437	6 4
resulting in a Balance of				£7,238,324	16 9
Out of which it is proposed to pay on the 2nd March next :—					
A Final Dividend of 7½ per cent. for the year on Ordinary Stock (free of Income Tax)	2,817,228	13	6		
Bonus on Ordinary Stock of 9 per cent. (free of Income Tax)	3,380,674	8	2		
				6,197,903	1 8
leaving a balance to be carried forward of				£1,040,421	15 1

3. The Directors record with deep regret the death in May last of Mr. Robert Adkin, an original Director of this Company.

4. Since the last Ordinary General Meeting, the Board have appointed as Directors of the Company Messrs. Humphrey Frank Field, Cedric Charles Walter Havell and John McKerrell McKerrell-Brown, and Brigadier-General Herbert Arthur Jones. Under the Articles of Association they offer themselves for election by the Members.

5. The Directors retiring by rotation under the Articles of Association are The Rt. Hon. Lord Bradbury of Winsford, G.C.B., Messrs. William Henry Blandy, Thomas Ruding Davey, Reginald Earle, Lawrence Hignett, William Nelson Mitchell, John Dane Player, Leslie Hartwell Reed, Thomas Murray Sowerby and Walter Melville Wills. They are eligible and offer themselves for re-election.

6. Since the last Ordinary General Meeting, Lord Plender has retired from the office of Auditor. To fill the vacancy thus created, the Directors appointed Messrs. Deloitte, Plender, Griffiths & Co., who now retire and offer themselves for re-appointment by the Members.

7. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 21st day of January, 1936.

On behalf of the Board,

DULVERTON, *Chairman.*

H. W. GUNN, *Director.*

R. J. SINCLAIR, *Secretary.*

NOTE.—Will Ordinary Stockholders kindly note that the reprint of "The Times" report of the proceedings of the Annual Meeting will be sent out with the Dividend Warrants posted on 29th February.

ACCOUNTS, 31st October 1935.

THE IMPERIAL TOBACCO COMPANY

BALANCE SHEET,

	AUTHORISED in Shares of £1 each. £ s. d.	ISSUED and converted into Stock. £ s. d.
CAPITAL—		
"A" 5½ per cent. Cumulative Preference Shares	6,000,000 0 0	4,959,249 0 0
"B" 6 per cent. Non-Cumulative Preference Shares	6,000,000 0 0	5,260,469 0 0
"C" 10 per cent. Non-Cumulative Preference Shares	3,000,000 0 0	2,638,218 0 0
Ordinary Shares	40,000,000 0 0	37,563,049 0 0
	£55,000,000 0 0	50,420,985 0 0
Deposits by, and Current Accounts with—		
Subsidiary Companies...	518,329 9 2	
Associated Companies...	7,600 0 0	
		525,929 9 2
Creditors; Provisions for Taxation and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund and for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts		16,273,277 5 8
Widows and Orphans Benefit Account		193,046 11 4
General Reserve Account per last Balance Sheet	6,000,000 0 0	
Add: Transfer from Profit and Loss Account for the year ended 31st October, 1935	500,000 0 0	
		6,500,000 0 0
Profit and Loss Account—		
Balance for the year (page 10)	9,768,209 17 4	
Balance at 31st October 1934	1,139,552 5 9	
	10,907,762 3 1	
Deduct: Interim Dividends paid on :—		
"A" 5½ per cent. Cumulative Preference Stock 136,379 7 0		
"B" 6 per cent. Non-Cumulative Preference Stock 157,814 1 5		
"C" 10 per cent. Non-Cumulative Preference Stock 131,910 18 0		
Ordinary Stock 2,817,228 13 6		
	3,243,332 19 11	
		7,664,429 3 2
		£81,577,667 9 4

MEMO.—(*a*) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(*b*) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(*c*) There is an uncalled liability on Investments held of £40,941.

AUDITORS' REPORT TO THE MEMBERS
OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

We have examined the above Balance Sheet dated the 31st October, 1935, with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations we have required. In our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS E.C. 2.
21*st January* 1936.

DELOITTE, PLENDER, GRIFFITHS & Co., *Auditors*,
Chartered Accountants.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account on page 11.

DULVERTON, *Chairman.*

H. W. GUNN, *Director.*

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1935.

	£	s.	d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off	4,812,618	10	7
Goodwill, Patent Rights and Trade Marks—at cost (as reduced by sale of goodwill of export business in 1903), less amounts written off	9,422,581	16	0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—			
Shares in Subsidiary Companies 8,443,090 7 2			
Shares and Debentures in Associated Companies ... 8,592,954 2 9			
	12,036,044	9	11
NOTE.—In the aggregate the market value of Investments in Associated Companies is largely in excess of the book value.			
Loans to, and Current Accounts with—			
Subsidiary Companies 415,745 2 3			
Associated Companies 966,398 3 8			
	1,382,143	5	11
Stock-in-Trade, including Leaf in transit—at approximate cost, and Advances to Branches abroad for purchase of Leaf, etc.	31,239,896	18	8
Debtors (less Reserves for Discounts and doubtful Debts)	8,375,289	18	7
Government and other Securities—at cost, less amounts written off in those cases where depreciation has taken place ... ... (Market Value at 31st October, 1935—£8,252,452 19s. 8d.)	7,831,241	8	4
Loans to Corporations and Public Boards, and other Investments not officially quoted—at or under cost	2,647,650	6	0
Cash at Bankers and in hand	3,830,200	15	4
	£81,577,667	9	4

P. V. ROBERTS,
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
H. W. GUNN, *Director.*
R. J. SINCLAIR, *Secretary.*

PROFIT AND LOSS ACCOUNT,

	£	s.	d.
Directors' Fees	10,000	0	0
Transfer to General Reserve Account	500,000	0	0
Balance carried to Balance Sheet (page 8)	9,768,209	17	4
	£10,278,209	17	4

APPROPRIATION

	£	s.	d.	£	s.	d.
Dividends on "A" 5½ per cent. Cumulative Preference Stock—						
Interim Dividend to 30th April 1935, paid 1st July 1935 ...	136,379	7	0			
Final Dividend to 31st October 1935, payable 1st January 1936	136,379	7	0			
				272,758	14	0
Dividends on "B" 6 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1935, paid 1st August 1935 ...	157,814	1	5			
Final Dividend to 31st October 1935, payable 1st February 1936	157,814	1	5			
				315,628	2	10
Dividends on "C" 10 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1935, paid 1st August 1935 ...	131,910	18	0			
Final Dividend to 31st October 1935, payable 1st February 1936	131,910	18	0			
				263,821	16	0
Dividends on Ordinary Stock—						
Interim Dividend of 7½ per cent., paid 2nd September 1935 (free of Income Tax)	2,817,228	13	6			
Proposed Final Dividend of 7½ per cent. (free of Income Tax) ...	2,817,228	13	6			
Proposed Bonus of 9 per cent. (free of Income Tax)	3,380,674	8	2			
				9,015,131	15	2
Balance carried forward				1,040,421	15	1
				£10,907,762	3	1

for the year ended 31st October 1935.

	£	s.	d.
Net Trading Profit and Interest and Dividends on Investments and Loans (**including Dividends from Companies operating outside the United Kingdom**), after providing for Management Remuneration, Depreciation of Buildings, Plant and Machinery, Taxation, Working Expenses, Head Office and Registration Charges, Bonus to Customers, Pension Fund Contributions, etc.	10,274,603	16	1
Transfer and other Fees	3,606	1	3
	£10,278,209	17	4

ACCOUNT.

	£	s.	d.
Balance from Profit and Loss Account for the year	9,768,209	17	4
Balance of undivided Profit at 31st October 1934	1,139,552	5	9
	£10,907,762	3	1

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The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON *(Chairman)*

FRANK MANNING ARKLE
WILLIAM HENRY BLANDY
THE RT. HON. LORD BRADBURY, G.C.B.
SIR WILLIAM ALFRED CHURCHMAN
CHARLES SAMUEL CLARKE
THOMAS RUDING DAVEY
REGINALD EARLE
GEORGE ADOLPH FALK
ALFRED ROBERT FAULKNER
HUMPHREY FRANK FIELD
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
CEDRIC CHARLES WALTER HAVELL
LAWRENCE HIGNETT
BRIG.-GEN. HERBERT ARTHUR JONES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
JOHN McKERRELL McKERRELL-BROWN
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
FRANCIS ALFRED QUARTLY
LESLIE HARTWELL REED
WILLIAM RENNIE
ROBERT JOHN SINCLAIR
THOMAS MURRAY SOWERBY
EDWIN SELBY TANSLEY
WILLIAM STANILAND WALTERS
WALTER MELVILLE WILLS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditors.

DELOITTE, PLENDER, GRIFFITHS & CO.

Secretary.

G. W. ANSON

Registered Office.

BRISTOL

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.,

COMBINING:—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	
Mardon, Son & Hall	Bristol.

Thirty-fifth Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1936.

REPORT OF THE DIRECTORS.

To be presented at the Thirty-fifth Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Thirty-fifth Annual Report to the Members, together with the Audited Balance Sheet at the 31st October 1936, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows the following figures :—

Net Trading Profit for the year			£10,642,952 7 2
Transfer and other Fees received			3,363 5 10
			10,646,315 13 0
Deduct—			
Directors' Fees	£10,000 0 0		
Transfer to General Reserve Account	250,000 0 0		
		260,000 0 0	
Balance for the year			10,386,315 13 0
Add—Amount brought forward from the Accounts of the preceding year...			1,040,421 15 1
Total Profits available for distribution			£11,426,737 8 1

Forward		£11,426,737 8 1
Out of this sum there have been or are to be paid :—		
Dividends on "A" 5½ per cent. Cumulative Preference Stock :—		
For the half-year ended 30th April 1936, paid 1st July 1936	£136,379 7 0	
For the half-year ended 31st October 1936, payable 1st January 1937	136,379 7 0	
Dividends on "B" 6 per cent. Non-Cumulative Preference Stock :—		
For the half-year ended 30th April 1936, paid 1st August 1936	157,814 1 5	
For the half-year ended 31st October 1936, payable 1st February 1937	157,814 1 5	
Dividends on "C" 10 per cent. Non-Cumulative Preference Stock :—		
For the half-year ended 30th April 1936, paid 1st August 1936	131,910 18 0	
For the half-year ended 31st October 1936, payable 1st February 1937	131,910 18 0	
Interim Dividend of 7½ per cent. on Ordinary Stock, paid 1st September 1936 (free of Income Tax) ...	2,817,228 13 6	
		3,669,437 6 4
resulting in a balance of		7,757,300 1 9
Out of which it is proposed to pay on the 1st March next :—		
A Final Dividend of 7½ per cent. for the year on Ordinary Stock (free of Income Tax)	2,817,228 13 6	
Bonus on Ordinary Stock of 10 per cent. (free of Income Tax)	3,756,304 18 0	
		6,573,533 11 6
leaving a balance to be carried forward of		£1,183,766 10 3

3. The Directors record, with deep regret, the death in September last of Mr. William Nelson Mitchell, one of the original Directors of the Company and for a number of years its Deputy Chairman.

4. The Directors retiring under the Articles of Association are The Rt. Hon. Lord Dulverton of Batsford, Messrs. Charles Samuel Clarke, George Adolph Falk, Alfred Robert Faulkner, Ernest George Mardon, John Ashley Player, Francis Alfred Quartly, Robert John Sinclair, Edwin Selby Tansley, William Staniland Walters, Reginald Earle, William Rennie, and Frank Manning Arkle (a new Director appointed since the last Ordinary General Meeting).

They are eligible and offer themselves for re-election.

5. The Auditors, Messrs. Deloitte, Plender, Griffiths & Company, retire, and offer themselves for re-election.

6. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 20th day of January 1937.

On behalf of the Board,

DULVERTON, *Chairman.*
J. D. PLAYER, *Director.*
G. W. ANSON, *Secretary*

NOTE.—Will Ordinary Stockholders kindly note that the reprint of "The Times" report of the proceedings of the Annual Meeting will be sent out with the Dividend Warrants posted on the 27th February.

ACCOUNTS, 31st October 1936.

THE IMPERIAL TOBACCO COMPANY

BALANCE SHEET,

	AUTHORISED in Shares of £1 each.			ISSUED and converted into Stock.		
CAPITAL—	£	s.	d.	£	s.	d.
"A" 5½ per cent. Cumulative Preference Shares	6,000,000	0	0	4,959,249	0	0
"B" 6 per cent. Non-Cumulative Preference Shares	6,000,000	0	0	5,260,469	0	0
"C" 10 per cent. Non-Cumulative Preference Shares	3,000,000	0	0	2,638,218	0	0
Ordinary Shares	40,000,000	0	0	37,563,049	0	0
	£55,000,000	0	0	50,420,985	0	0
Deposits by, and Current Accounts with—						
Subsidiary Companies...	739,085	3	10			
Associated Companies...	"	"	"			
				739,085	3	10
Creditors; Provisions for Taxation and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund and for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts				17,126,322	8	2
Widows and Orphans Benefit Account				178,875	18	8
General Reserve Account per last Balance Sheet	6,500,000	0	0			
Add: Transfer from Profit and Loss Account for the year ended 31st October 1936	250,000	0	0			
				6,750,000	0	0
Profit and Loss Account—						
Balance for the year (page 10)	10,386,315	13	0			
Balance at 31st October 1935	1,040,421	15	1			
	11,426,737	8	1			
Deduct: Interim Dividends paid on:—						
"A" 5½ per cent. Cumulative Preference Stock 136,379 7 0						
"B" 6 per cent. Non-Cumulative Preference Stock 157,814 1 5						
"C" 10 per cent. Non-Cumulative Preference Stock 131,910 18 0						
Ordinary Stock 2,817,228 13 6						
	3,243,332	19	11			
				8,183,404	8	2
				£83,398,672	18	10

MEMO.—(a) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(b) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(c) There is an uncalled liability on Investments held of £59,941.

AUDITORS' REPORT TO THE MEMBERS
OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

We have examined the above Balance Sheet dated the 31st October 1936 with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations we have required. In our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS E.C. 2.
20th January 1937.

DELOITTE, PLENDER, GRIFFITHS & Co., *Auditors*,
Chartered Accountants.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account on page 11.

DULVERTON, *Chairman*.

J. D. PLAYER, *Director*.

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1936.

		£	s.	d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off		4,962,702	11	6
Goodwill, Patent Rights and Trade Marks—at cost (as reduced by sale of goodwill of export business in 1903), less amounts written off		9,422,581	16	0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—				
Shares in Subsidiary Companies	3,443,090 7 2			
Shares and Debentures in Associated Companies ...	8,667,921 9 4			
		12,111,011	16	6
NOTE.—In the aggregate the market value of Investments in Associated Companies is largely in excess of the book value.				
Loans to, and Current Accounts with—				
Subsidiary Companies	249,671 3 4			
Associated Companies	967,592 14 8			
		1,217,263	18	0
Stock-in-Trade, including Leaf in transit—at approximate cost, and Advances to Branches abroad for purchase of Leaf, etc.		33,304,785	14	6
Debtors (less Reserves for Discounts and doubtful Debts)		8,791,196	18	7
Government and other Securities—at cost, less amounts written off in those cases where depreciation has taken place ... ... (Market Value at 31st October 1936—£8,240,098 6s. 10d.)		7,702,771	0	11
Loans to Corporations and Public Boards, and other Investments not officially quoted—at or under cost		2,245,615	2	2
Cash at Bankers and in hand		3,640,744	0	8
		£83,398,672	18	10

P. V. ROBERTS,
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
J. D. PLAYER, *Director.*
G. W. ANSON, *Secretary.*

PROFIT AND LOSS ACCOUNT,

	£	s.	d.
Directors' Fees	10,000	0	0
Transfer to General Reserve Account	250,000	0	0
Balance carried to Balance Sheet (page 8)	10,386,315	13	0
	£10,646,315	13	0

APPROPRIATION

	£	s.	d.	£	s.	d.
Dividends on "A" 5½ per cent. Cumulative Preference Stock—						
Interim Dividend to 30th April 1936, paid 1st July 1936 ...	136,379	7	0			
Final Dividend to 31st October 1936, payable 1st January 1937	136,379	7	0			
				272,758	14	0
Dividends on "B" 6 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1936, paid 1st August 1936 ...	157,814	1	5			
Final Dividend to 31st October 1936, payable 1st February 1937	157,814	1	5			
				315,628	2	10
Dividends on "C" 10 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1936, paid 1st August 1936 ...	131,910	18	0			
Final Dividend to 31st October 1936, payable 1st February 1937	131,910	18	0			
				263,821	16	0
Dividends on Ordinary Stock—						
Interim Dividend of 7½ per cent., paid 1st September 1936 (free of Income Tax)	2,817,228	13	6			
Proposed Final Dividend of 7½ per cent. (free of Income Tax) ...	2,817,228	13	6			
Proposed Bonus of 10 per cent. (free of Income Tax)	3,756,304	18	0			
				9,390,762	5	0
Balance carried forward				1,183,766	10	3
				£11,426,737	8	1

for the year ended 31st October 1936.

	£	s.	d.
Net Trading Profit and Interest and Dividends on Investments and Loans (**including Dividends from Companies operating outside the United Kingdom**), after providing for Management Remuneration, Depreciation of Buildings, Plant and Machinery, Taxation, Working Expenses, Head Office and Registration Charges, Bonus to Customers, Pension Fund Contributions, etc.	10,642,952	7	2
Transfer and other Fees	3,868	5	10
	£10,646,815	13	0

ACCOUNT.

	£	s.	d.
Balance from Profit and Loss Account for the year	10,386,815	13	0
Balance of undivided Profit at 31st October 1935	1,040,421	15	1
	£11,426,737	8	1

35

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

THIRTY-FIFTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31st October 1936.

WATERLOW & SONS LIMITED, LONDON WALL, LONDON. (242611)

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The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

THIRTY-SIXTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

for the year ended 31st October 1937.

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WATERLOW & SONS LIMITED, LONDON WALL, LONDON.
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The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON *(Chairman)*

FRANK MANNING ARKLE
WILLIAM HENRY BLANDY
THE RT. HON. LORD BRADBURY, G.C.B.
SIR WILLIAM ALFRED CHURCHMAN
CHARLES SAMUEL CLARKE
THOMAS RUDING DAVEY
REGINALD EARLE
GEORGE ADOLPH FALK
ALFRED ROBERT FAULKNER
HUMPHREY FRANK FIELD
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
CEDRIC CHARLES WALTER HAVELL
LAWRENCE HIGNETT
BRIG.-GEN. HERBERT ARTHUR JONES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
JOHN McKERRELL McKERRELL-BROWN
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
FRANCIS ALFRED QUARTLY
LESLIE HARTWELL REED
WILLIAM RENNIE
ROBERT JOHN SINCLAIR
THOMAS MURRAY SOWERBY
EDWIN SELBY TANSLEY
WILLIAM STANILAND WALTERS
WALTER MELVILLE WILLS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditors.

DELOITTE, PLENDER, GRIFFITHS & CO.

Secretary.

G. W. ANSON

Registered Office.

BRISTOL

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.,

COMBINING:—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	
Mardon, Son & Hall	Bristol.

Thirty-sixth Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1937.

REPORT OF THE DIRECTORS.

To be presented at the Thirty-sixth Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Thirty-sixth Annual Report to the Members, together with the Audited Balance Sheet at the 31st October 1937, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows the following figures :—

Net Trading Profit for the year		£10,757,013 13 10
Transfer and other Fees received		3,595 5 9
		10,760,608 19 7
Deduct—		
Directors' Fees	£10,000 0 0	
Transfer to General Reserve Account	250,000 0 0	
		260,000 0 0
Balance for the year		10,500,608 19 7
Add—Amount brought forward from the Accounts of the preceding year		1,183,766 10 3
Total Profits available for distribution		£11,684,375 9 10

Forward			£11,684,375 9 10
Out of this sum there have been or are to be paid :—			
Dividends on " A " 5½ per cent. Cumulative Preference Stock :—			
For the half-year ended 30th April 1937, paid 1st July 1937	£136,379 7 0		
For the half-year ended 31st October 1937, payable 1st January 1938	136,379 7 0		
Dividends on " B " 6 per cent. Non-Cumulative Preference Stock :—			
For the half-year ended 30th April 1937, paid 2nd August 1937	157,814 1 5		
For the half-year ended 31st October 1937, payable 1st February 1938	157,814 1 5		
Dividends on " C " 10 per cent. Non-Cumulative Preference Stock :—			
For the half-year ended 30th April 1937, paid 2nd August 1937	131,910 18 0		
For the half-year ended 31st October 1937, payable 1st February 1938	131,910 18 0		
Interim Dividend of 7½ per cent. on Ordinary Stock, paid 1st September 1937 (free of Income Tax) ...	2,817,228 13 6		
		3,669,437 6 4	
resulting in a balance of		8,014,938 3 6	
Out of which it is proposed to pay on the 1st March next :—			
A Final Dividend of 7½ per cent. for the year on Ordinary Stock (free of Income Tax)	2,817,228 13 6		
Bonus on Ordinary Stock of 10 per cent. (free of Income Tax)	3,756,304 18 0		
		6,573,533 11 6	
leaving a balance to be carried forward of			£1,441,404 12 0

3. The National Defence Contribution began on the 1st April 1937, and provision has been made in the accounts for the Company's liability for the seven months to the 31st October 1937. In the current year the charge for National Defence Contribution will operate during the whole twelve months.

4. The Directors retiring by rotation under the Articles of Association are Mr. William Henry Blandy, The Rt. Hon. Lord Bradbury of Winsford, G.C.B., Sir William Alfred Churchman, Messrs. Henry Wills Gunn, William Inghram Gunn, John Duncan Macdonald, Alexander Black Mitchell, Stephen Mitchell, William Goodacre Player, Sir Ernest Salter Wills, Bt., and Mr. Frank Oliver Wills. They are eligible and offer themselves for re-election.

5. The Auditors, Messrs. Deloitte, Plender, Griffiths & Company, retire, and offer themselves for re-election.

6. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 18th day of January 1938.

On behalf of the Board,

DULVERTON, *Chairman.*

H. W. GUNN, *Director.*

G. W. ANSON, *Secretary.*

NOTE.—Will Ordinary Stockholders kindly note that the reprint of "The Times" report of the proceedings of the Annual Meeting will be sent out with the Dividend Warrants posted on the 28th February.

ACCOUNTS, 31st October 1937.

THE IMPERIAL TOBACCO COMPANY

BALANCE SHEET,

	AUTHORISED in Shares of £1 each. £ s. d.	ISSUED and converted into Stock. £ s. d.
CAPITAL—		
"A" 5½ per cent. Cumulative Preference Shares	6,000,000 0 0	4,959,249 0 0
"B" 6 per cent. Non-Cumulative Preference Shares	6,000,000 0 0	5,260,469 0 0
"C" 10 per cent. Non-Cumulative Preference Shares	3,000,000 0 0	2,638,218 0 0
Ordinary Shares	40,000,000 0 0	37,563,049 0 0
	£55,000,000 0 0	50,420,985 0 0
Deposits by, and Current Accounts with—		
Subsidiary Companies...	574,323 18 9	
Associated Companies...	604 17 9	
		574,928 16 6
Creditors; Provisions for Taxation, National Defence Contribution and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund and for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts		18,254,374 13 11
Widows and Orphans Benefit Account		163,251 10 2
General Reserve Account per last Balance Sheet	6,750,000 0 0	
Add: Transfer from Profit and Loss Account for the year ended 31st October 1937	250,000 0 0	
		7,000,000 0 0
Profit and Loss Account—		
Balance for the year (page 10)	10,500,608 19 7	
Balance at 31st October 1936	1,183,766 10 3	
	11,684,375 9 10	
Deduct: Interim Dividends paid on :—		
"A" 5½ per cent. Cumulative Preference Stock £136,379 7 0		
"B" 6 per cent. Non-Cumulative Preference Stock 157,814 1 5		
"C" 10 per cent. Non-Cumulative Preference Stock 131,910 18 0		
Ordinary Stock 2,817,228 13 6		
	3,243,332 19 11	
		8,441,042 9 11
		£84,854,582 10 6

MEMO.—(*a*) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(*b*) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(*c*) There is an uncalled liability on Investments held of £59,941.

AUDITORS' REPORT TO THE MEMBERS OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

We have examined the above Balance Sheet dated the 31st October 1937 with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations we have required. In our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS E.C. 2.
18*th January* 1938.

DELOITTE, PLENDER, GRIFFITHS & Co., *Auditors*,
Chartered Accountants.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account on page 11.

DULVERTON, *Chairman*.

H. W. GUNN, *Director*.

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1937.

	£	s.	d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off	5,179,878	1	1
Goodwill, Patent Rights and Trade Marks—at cost (as reduced by sale of goodwill of export business in 1903), less amounts written off	9,422,581	16	0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—			
Shares in Subsidiary Companies £3,680,660 11 10			
Shares and Debentures in Associated Companies ... 8,708,444 15 10			
———	12,389,105	7	8
NOTE.—In the aggregate the market value of Investments in Associated Companies is largely in excess of the book value.			
Loans to, and Current Accounts with—			
Subsidiary Companies 260,351 0 4			
Associated Companies 978,767 17 6			
———	1,239,118	17	10
Stock-in-Trade, including Leaf in transit—at approximate cost, and Advances to Branches abroad for purchase of Leaf, etc.	35,841,542	0	9
Debtors (less Reserves for Discounts and doubtful Debts)	9,522,007	2	8
Government and other Securities—at cost, less amounts written off in those cases where depreciation has taken place ... ... (Market Value at 31st October 1937—£7,818,516 0s. 1d.)	7,682,169	2	7
Loans to Corporations and Public Boards, and other Investments not officially quoted—at or under cost	2,099,626	4	7
Cash at Bankers and in hand	1,478,553	17	4
	£84,854,582	10	6

P. V. ROBERTS,
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
H. W. GUNN, *Director.*
G. W. ANSON, *Secretary.*

PROFIT AND LOSS ACCOUNT,

	£	s.	d.
Directors' Fees	10,000	0	0
Transfer to General Reserve Account	250,000	0	0
Balance carried to Balance Sheet (page 8)	10,500,608	19	7
	£10,760,608	19	7

APPROPRIATION

	£	s.	d.	£	s.	d.
Dividends on "A" 5½ per cent. Cumulative Preference Stock—						
Interim Dividend to 30th April 1937, paid 1st July 1937 ...	136,379	7	0			
Final Dividend to 31st October 1937, payable 1st January 1938	136,379	7	0			
				272,758	14	0
Dividends on "B" 6 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1937, paid 2nd August 1937 ...	157,814	1	5			
Final Dividend to 31st October 1937, payable 1st February 1938	157,814	1	5			
				315,628	2	10
Dividends on "C" 10 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1937, paid 2nd August 1937 ...	131,910	18	0			
Final Dividend to 31st October 1937, payable 1st February 1938	131,910	18	0			
				263,821	16	0
Dividends on Ordinary Stock—						
Interim Dividend of 7½ per cent., paid 1st September 1937 (free of Income Tax)	2,817,228	13	6			
Proposed Final Dividend of 7½ per cent. (free of Income Tax) ...	2,817,228	13	6			
Proposed Bonus of 10 per cent. (free of Income Tax)	3,756,304	18	0			
				9,390,762	5	0
Balance carried forward				1,441,404	12	0
				£11,684,375	9	10

for the year ended 31st October 1937.

	£	s.	d.
Net Trading Profit and Interest and Dividends on Investments and Loans **(including Dividends from Companies operating outside the United Kingdom)**, after providing for Management Remuneration, Depreciation of Buildings, Plant and Machinery, Taxation, National Defence Contribution, Working Expenses, Head Office and Registration Charges, Bonus to Customers, Pension Fund Contributions, etc.	10,757,013	13	10
Transfer and other Fees	3,595	5	9
	£10,760,608	19	7

ACCOUNT.

	£	s.	d.
Balance from Profit and Loss Account for the year	10,500,608	19	7
Balance of undivided Profit at 31st October 1936	1,183,766	10	3
	£11,684,375	9	10

36

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

THIRTY-SIXTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31st October 1937.

WATERLOW & SONS LIMITED, LONDON WALL, LONDON. (214641)

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BIGGS, MORTIMER & CO.

The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

THIRTY-SEVENTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

for the year ended 31st October 1938.

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WATERLOW & SONS LIMITED, LONDON WALL, LONDON.
1939

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1937/38

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON *(Chairman)*

FRANK MANNING ARKLE
THE RT. HON. LORD BRADBURY, G.C.B.
HERBERT SOUTHERDEN BURN
SIR WILLIAM ALFRED CHURCHMAN, BT.
CHARLES SAMUEL CLARKE
THOMAS RUDING DAVEY
REGINALD EARLE
GEORGE ADOLPH FALK
ALFRED ROBERT FAULKNER
HUMPHREY FRANK FIELD
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
CEDRIC CHARLES WALTER HAVELL
LAWRENCE HIGNETT
BRIG.-GEN. HERBERT ARTHUR JONES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
JOHN McKERRELL McKERRELL-BROWN
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
LESLIE HARTWELL REED
ROBERT JOHN SINCLAIR
THOMAS MURRAY SOWERBY
EDWIN SELBY TANSLEY
WILLIAM SENNETT THORN
WILLIAM STANILAND WALTERS
WALTER MELVILLE WILLS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditors.

DELOITTE, PLENDER, GRIFFITHS & CO.

Secretary.

G. W. ANSON

Registered Office.

BRISTOL

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.,

COMBINING:—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	
Mardon, Son & Hall	Bristol.

Thirty-seventh Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1938.

REPORT OF THE DIRECTORS.

To be presented at the Thirty-seventh Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

---

1. The Directors have pleasure in submitting their Thirty-seventh Annual Report to the Members, together with the Audited Balance Sheet at the 31st October 1938, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows the following figures :—

Net Trading Profit for the year			£10,692,760 15 7
Transfer and other Fees received			3,292 5 11
			10,696,053 1 6
Deduct—			
Directors' Fees	£10,000 0 0		
Transfer to General Reserve Account	500,000 0 0		
			510,000 0 0
Balance for the year			10,186,053 1 6
Add—Amount brought forward from the Accounts of the preceding year			1,441,404 12 0
Total Profits available for distribution			£11,627,457 13 6

			Forward	£11,627,457 13 6
Out of this sum there have been or are to be paid :—				
Dividends on "A" 5½ per cent. Cumulative Preference Stock :—				
For the half-year ended 30th April 1938, paid 1st July 1938	£136,379 7 0			
For the half-year ended 31st October 1938, payable 2nd January 1939	136,379 7 0			
Dividends on "B" 6 per cent. Non-Cumulative Preference Stock :—				
For the half-year ended 30th April 1938, paid 2nd August 1938	157,814 1 5			
For the half-year ended 31st October 1938, payable 1st February 1939	157,814 1 5			
Dividends on "C" 10 per cent. Non-Cumulative Preference Stock :—				
For the half-year ended 30th April 1938, paid 2nd August 1938	131,910 18 0			
For the half-year ended 31st October 1938, payable 1st February 1939	131,910 18 0			
Interim Dividend of 7½ per cent. on Ordinary Stock, paid 1st September 1938 (free of Income Tax) ...	2,817,228 13 6			
				3,669,437 6 4
resulting in a balance of				7,958,020 7 2
Out of which it is proposed to pay on the 1st March next :—				
A Final Dividend of 7½ per cent. for the year on Ordinary Stock (free of Income Tax)	2,817,228 13 6			
Bonus on Ordinary Stock of 10 per cent. (free of Income Tax)	3,756,304 18 0			
				6,573,533 11 6
leaving a balance to be carried forward of				£1,384,486 15 8

3. The Directors record, with deep regret, the deaths since the last Report, of three of their colleagues, Mr. William Rennie, Mr. William Henry Blandy, and Mr. Francis Alfred Quartly.

4. Since the last Ordinary General Meeting the Board have appointed Mr. Herbert Southerden Burn and Mr. William Sennett Thorn as Directors. Under the Articles of Association they offer themselves for election by the Members.

5. The Directors retiring by rotation under the Articles of Association are Messrs. Thomas Ruding Davey, Humphrey Frank Field, Cedric Charles Walter Havell, Lawrence Hignett, Brigadier-General Herbert Arthur Jones, Messrs. John McKerrell McKerrell-Brown, John Dane Player, Leslie Hartwell Reed, Thomas Murray Sowerby, and Walter Melville Wills. They are eligible and offer themselves for re-election.

6. The Auditors, Messrs. Deloitte, Plender, Griffiths & Company, retire, and offer themselves for re-election.

7. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 24th day of January 1939.

On behalf of the Board,

DULVERTON, *Chairman.*

H. W. GUNN, *Director.*

G. W. ANSON, *Secretary.*

NOTE.—Will Ordinary Stockholders kindly note that the reprint of "The Times" report of the proceedings of the Annual Meeting will be sent out with the Dividend Warrants posted on the 28th February.

ACCOUNTS, 31st October 1938.

THE IMPERIAL TOBACCO COMPANY

BALANCE SHEET,

	AUTHORISED in Shares of £1 each. £ s. d.	ISSUED and converted into Stock. £ s. d.
CAPITAL—		
"A" 5½ per cent. Cumulative Preference Shares	6,000,000 0 0	4,959,249 0 0
"B" 6 per cent. Non-Cumulative Preference Shares	6,000,000 0 0	5,260,469 0 0
"C" 10 per cent. Non-Cumulative Preference Shares	3,000,000 0 0	2,638,218 0 0
Ordinary Shares	40,000,000 0 0	37,563,049 0 0
	£55,000,000 0 0	50,420,985 0 0
Deposits by, and Current Accounts with—		
Subsidiary Companies...	457,202 2 1	
Associated Companies...	564 12 10	
		457,766 14 11
Creditors; Provisions for Taxation, National Defence Contribution and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund and for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts		18,613,536 8 0
Widows and Orphans Benefit Account		145,835 19 11
General Reserve Account per last Balance Sheet	7,000,000 0 0	
Add: Transfer from Profit and Loss Account for the year ended 31st October 1938	500,000 0 0	
		7,500,000 0 0
Profit and Loss Account—		
Balance for the year (page 10)	10,186,053 1 6	
Balance at 31st October 1937	1,441,404 12 0	
	11,627,457 13 6	
Deduct: Interim Dividends paid on :—		
"A" 5½ per cent. Cumulative Preference Stock £136,379 7 0		
"B" 6 per cent. Non-Cumulative Preference Stock 157,814 1 5		
"C" 10 per cent. Non-Cumulative Preference Stock 131,910 18 0		
Ordinary Stock 2,817,228 13 6		
	3,243,332 19 11	
		8,384,124 13 7
		£85,522,248 16 5

MEMO.—(*a*) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(*b*) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(*c*) There is an uncalled liability on Investments held of £59,941.

AUDITORS' REPORT TO THE MEMBERS
OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

We have examined the above Balance Sheet dated the 31st October 1938 with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations we have required. In our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C. 2.
24th January 1939.

DELOITTE, PLENDER, GRIFFITHS & Co., *Auditors*,
Chartered Accountants.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account on page 11.

DULVERTON, *Chairman.*

H. W. GUNN, *Director.*

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1938.

	£	s.	d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off	5,747,455	12	6
Goodwill, Patent Rights and Trade Marks—at cost (as reduced by sale of goodwill of export business in 1903), less amounts written off	9,422,581	16	0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—			
Shares in Subsidiary Companies £4,219,688 2 9			
Shares and Debentures in Associated Companies ... 8,852,018 0 2			
	13,071,706	2	11
NOTE.—In the aggregate the market value of Investments in Associated Companies is largely in excess of the book value.			
Loans to, and Current Accounts with—			
Subsidiary Companies 681,636 11 0			
Associated Companies 968,024 18 6			
	1,649,661	4	6
Stock-in-Trade, including Leaf in transit—at approximate cost, and Advances to Branches abroad for purchase of Leaf, etc.	40,286,139	12	9
Debtors (less Reserves for Discounts and doubtful Debts)	9,995,432	10	9
Government and other Securities—at cost, less amounts written off in those cases where depreciation has taken place ... ... (Market Value at 31st October 1938—£2,060,133 1s. 10d.)	1,997,382	2	6
Loans to Corporations and Public Boards, and other Investments not officially quoted—at or under cost	2,079,831	0	4
Cash at Bankers and in hand	1,272,058	14	2
	£85,522,248	16	5

P. V. ROBERTS, ...
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
H. W. GUNN, *Director.*
G. W. ANSON, *Secretary.*

PROFIT AND LOSS ACCOUNT,

	£	s.	d.
Directors' Fees	10,000	0	0
Transfer to General Reserve Account	500,000	0	0
Balance carried to Balance Sheet (page 8)	10,186,053	1	6
	£10,696,053	1	6

APPROPRIATION

	£	s.	d.	£	s.	d.
Dividends on "A" 5½ per cent. Cumulative Preference Stock—						
Interim Dividend to 30th April 1938, paid 1st July 1938 ...	136,879	7	0			
Final Dividend to 31st October 1938, payable 2nd January 1939	136,879	7	0			
				272,758	14	0
Dividends on "B" 6 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1938, paid 2nd August 1938 ...	157,814	1	5			
Final Dividend to 31st October 1938, payable 1st February 1939	157,814	1	5			
				315,628	2	10
Dividends on "C" 10 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1938, paid 2nd August 1938 ...	131,910	18	0			
Final Dividend to 31st October 1938, payable 1st February 1939	131,910	18	0			
				263,821	16	0
Dividends on Ordinary Stock—						
Interim Dividend of 7½ per cent., paid 1st September 1938 (free of Income Tax)	2,817,228	13	6			
Proposed Final Dividend of 7½ per cent. (free of Income Tax) ...	2,817,228	13	6			
Proposed Bonus of 10 per cent. (free of Income Tax)	3,756,304	18	0			
				9,390,762	5	0
Balance carried forward				1,384,486	15	8
				£11,627,457	13	6

for the year ended 31st October 1938.

	£	s.	d.
Net Trading Profit and Interest and Dividends on Investments and Loans (**including Dividends from Companies operating outside the United Kingdom**), after providing for Management Remuneration, Depreciation of Buildings, Depreciation (including renewals) of Plant and Machinery, Taxation, National Defence Contribution, Working Expenses, Head Office and Registration Charges, Bonus to Customers, Pension Fund Contributions, etc.	10,692,760	15	7
Transfer and other Fees	3,292	5	11
	£10,696,053	1	6

ACCOUNT.

	£	s.	d.
Balance from Profit and Loss Account for the year	10,186,053	1	6
Balance of undivided Profit at 31st October 1937	1,441,404	12	0
	£11,627,457	13	6

37

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

THIRTY-SEVENTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31st October 1938.

WATERLOW & SONS LIMITED. LONDON WALL, LONDON. (284752)

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The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

THIRTY-NINTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

for the year ended 31st October 1940.

WATERLOW & SONS LIMITED, LONDON WALL, LONDON.

1941.

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON (*Chairman*)

ROBERT JOHN SINCLAIR (*Deputy-Chairman*)

FRANK MANNING ARKLE
THE RT. HON. LORD BRADBURY, G.C.B.
HERBERT SOUTHERDEN BURN
SIR WILLIAM ALFRED CHURCHMAN, BT.
CHARLES SAMUEL CLARKE
REGINALD EARLE
GEORGE ADOLPH FALK
HUMPHREY FRANK FIELD
HENRY WILLS GUNN
WILLIAM INGHRAM GUNN
CEDRIC CHARLES WALTER HAVELL
LAWRENCE HIGNETT
BRIG.-GEN. HERBERT ARTHUR JONES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
JOHN McKERRELL McKERRELL-BROWN
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
WILLIAM GOODACRE PLAYER
JOHN ASHLEY PLAYER
LESLIE HARTWELL REED
THOMAS MURRAY SOWERBY
EDWIN SELBY TANSLEY
WILLIAM SENNETT THORN
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS

Solicitor.

T. MURRAY SOWERBY

Auditors.

DELOITTE, PLENDER, GRIFFITHS & CO.

Secretary.

G. W. ANSON

Registered Office.

BRISTOL

Thirty-ninth Annual Report of the Directors

and

Statement of Accounts

For the year ended 31st October 1940.

REPORT OF THE DIRECTORS.

To be presented at the Thirty-ninth Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Thirty-ninth Annual Report to the Members, together with the Audited Balance Sheet at the 31st October, 1940, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows the following figures :—

Net Trading Profit for the year		£8,879,814	0 3
Transfer and other Fees received		3,014	13 2
		£8,882,828	13 5
Deduct—			
Directors' Fees	£10,000 0 0		
Transfer to General Reserve Account	500,000 0 0		
		510,000	0 0
Balance for the year		8,372,828	13 5
Add Amount brought forward from the Accounts of the preceding year		1,612,926	15 4
Total Profits available for distribution		£9,985,755	8 9

Forward		£9,985,755 8 9
Out of this sum there have been or are to be paid :—		
Dividends on " A " 5½ per cent. Cumulative Preference Stock :—		
For the half-year ended 30th April, 1940, paid 1st July, 1940	£136,379 7 0	
For the half-year ended 31st October, 1940, payable 1st January, 1941	136,379 7 0	
Dividends on " B " 6 per cent. Non-Cumulative Preference Stock :—		
For the half-year ended 30th April, 1940, paid 1st August, 1940	157,814 1 5	
For the half-year ended 31st October, 1940, payable 1st February, 1941	157,814 1 5	
Dividends on " C " 10 per cent. Non-Cumulative Preference Stock :—		
For the half-year ended 30th April, 1940, paid 1st August, 1940	131,910 18 0	
For the half-year ended 31st October, 1940, payable 1st February, 1941	131,910 18 0	
Interim Dividend of 7½ per cent. on Ordinary Stock, paid 31st August, 1940 (free of Income Tax) ...	2,817,228 13 6	
		3,669,437 6 4
resulting in a balance of		6,316,318 2 5
Out of which it is proposed to pay on the 1st March next :—		
A Final Dividend of 7½ per cent. for the year on Ordinary Stock (free of Income Tax)	2,817,228 13 6	
Bonus on Ordinary Stock of 5 per cent. (free of Income Tax)	1,878,152 9 0	
		4,695,381 2 6
leaving a balance to be carried forward of		£1,620,936 19 11

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3. The Directors record, with deep regret, the death, on 26th January, 1941, of Mr. Walter Melville Wills, one of the original Directors of the Company.

4. The Directors retiring by rotation under the Articles of Association are Sir William Alfred Churchman, Bt., Messrs. Henry Wills Gunn, William Inghram Gunn, John Duncan Macdonald, Alexander Black Mitchell, Stephen Mitchell, William Goodacre Player, Frank Oliver Wills and Sir Ernest Salter Wills, Bt. They are eligible and offer themselves for re-election.

5. The Auditors, Messrs. Deloitte, Plender, Griffiths & Company, retire, and offer themselves for re-election.

6. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 28th January, 1941.

On behalf of the Board,

DULVERTON, *Chairman.*

GEORGE A. FALK, *Director.*

G. W. ANSON, *Secretary.*

THE IMPERIAL TOBACCO COMPANY

BALANCE SHEET,

		AUTHORISED in Shares of £1 each,	ISSUED and converted into Stock.
CAPITAL—		£ s. d.	£ s. d.
"A" 5½ per cent. Cumulative Preference Shares		6,000,000 0 0	4,959,249 0 0
"B" 6 per cent. Non-Cumulative Preference Shares		6,000,000 0 0	5,260,469 0 0
"C" 10 per cent. Non-Cumulative Preference Shares		3,000,000 0 0	2,638,218 0 0
Ordinary Shares		40,000,000 0 0	37,563,049 0 0
		£55,000,000 0 0	50,420,985 0 0
Deposits by, and Current Accounts with—			
Subsidiary Companies		912,610 5 1	
Associated Companies		22,513 12 5	
			935,123 17 6
Creditors; Provisions for Income Tax and other Taxation and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund and for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts ...			28,410,802 19 10
Widows and Orphans Benefit Account			104,883 14 1
General Reserve Account per last Balance Sheet		8,000,000 0 0	
Add: Transfer from Profit and Loss Account for the year ended 31st October 1940		500,000 0 0	
			8,500,000 0 0
Profit and Loss Account—			
Balance for the year (page 6)		8,372,828 13 5	
Balance at 31st October, 1939		1,612,926 15 4	
		9,985,755 8 9	
Deduct: Interim Dividends paid on :—			
"A" 5½ per cent. Cumulative Preference Stock	£136,379 7 0		
"B" 6 per cent. Non-Cumulative Preference Stock	157,814 1 5		
"C" 10 per cent. Non-Cumulative Preference Stock	131,910 18 0		
Ordinary Stock	2,817,228 13 6		
		3,243,332 19 11	
			6,742,422 8 10
			£95,114,218 0 3

MEMO.—(*a*) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(*b*) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(*c*) There is an uncalled liability on Investments held of £49,941.

AUDITORS' REPORT TO THE MEMBERS
OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

We have examined the above Balance Sheet dated the 31st October 1940 with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations we have required. In our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C. 2.
28*th January*, 1941.

DELOITTE, PLENDER, GRIFFITHS & Co., *Auditors*,
Chartered Accountants.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account on page 7.

DULVERTON, *Chairman.*

GEORGE A. FALK, *Director.*

(OF GREAT BRITAIN AND IRELAND), LIMITED.

31st October 1940.

		£	s.	d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off		5,294,849	3	10
Goodwill, Patent Rights and Trade Marks—at cost, less proceeds of sales and amounts written off		9,272,581	16	0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—				
Shares in Subsidiary Companies	£6,403,212 0 11			
Shares and Debentures in Associated Companies ...	8,847,541 4 11			
		15,250,753	5	10
NOTE.—In the aggregate the value of the above Investments is largely in excess of the book figure.				
Loans to, and Current Accounts with—				
Subsidiary Companies	654,673 14 8			
Associated Companies	1,010,691 1 8			
		1,665,364	16	4
Stock-in-Trade at approximate cost; estimated amounts recoverable under War Risks Insurance Policies in respect of Leaf damaged or destroyed; and advances to Leaf Buying Branches abroad		31,781,495	13	0
Debtors (less Reserves for Discounts and doubtful Debts)		18,569,969	8	1
Government and other Securities—at cost, less amounts written off in those cases where depreciation has taken place ... ... (Market Value at 31st October 1940—£8,300,954 2s. 3d.)		8,270,613	16	8
Loans to Corporations and Public Boards, and other Investments not officially quoted—at or under cost		1,510,332	0	3
Cash at Bankers and in hand		3,498,258	0	3
		£95,114,218	0	3

P. V. ROBERTS,
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
GEORGE A. FALK, *Director.*
G. W. ANSON, *Secretary.*

PROFIT AND LOSS ACCOUNT,

	£	s.	d.
Directors' Fees	10,000	0	0
Transfer to General Reserve Account	500,000	0	0
Balance carried to Balance Sheet (page 4)	8,372,828	13	5
	£8,882,828	13	5

APPROPRIATION

	£	s.	d.	£	s.	d.
Dividends on " A " 5½ per cent. Cumulative Preference Stock—						
Interim Dividend to 30th April 1940, paid 1st July 1940	136,379	7	0			
Final Dividend to 31st October 1940, payable 1st January 1941 ...	136,379	7	0			
				272,758	14	0
Dividends on " B " 6 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1940, paid 1st August 1940	157,814	1	5			
Final Dividend to 31st October 1940, payable 1st February 1941 ...	157,814	1	5			
				315,628	2	10
Dividends on " C " 10 per cent. Non-Cumulative Preference Stock—						
Interim Dividend to 30th April 1940, paid 1st August 1940	131,910	18	0			
Final Dividend to 31st October 1940, payable 1st February 1941 ...	131,910	18	0			
				263,821	16	0
Dividends on Ordinary Stock—						
Interim Dividend of 7½ per cent., paid 31st August 1940 (free of Income Tax)	2,817,228	13	6			
Proposed Final Dividend of 7½ per cent. (free of Income Tax) ...	2,817,228	13	6			
Proposed Bonus of 5 per cent. (free of Income Tax)	1,878,152	9	0			
				7,512,609	16	0
Balance carried forward				1,620,936	19	11
				£9,985,755	8	9

for the year ended 31st October 1940.

	£	s.	d.
Net Trading Profit and Interest and Dividends on Investments and Loans **(including Dividends from Companies operating outside the United Kingdom)**, after providing for Management Remuneration, Depreciation of Buildings, Plant and Machinery, Income Tax and other Taxation, Working Expenses, Head Office and Registration Charges, Bonus to Customers, Pension Fund Contributions, etc.	8,879,814	0	3
Transfer and other Fees	3,014	13	2
	£8,882,828	13	5

ACCOUNT.

	£	s.	d.
Balance from Profit and Loss Account for the year	8,372,828	13	5
Balance of undivided Profit at 31st October 1939	1,612,926	15	4
	£9,985,755	8	9

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.

COMBINING :—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	

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The Imperial Tobacco Company (of Great Britain and Ireland),

LIMITED.

THIRTY-NINTH

ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31st OCTOBER 1940.

NOTICE IS HEREBY GIVEN that the THIRTY-NINTH ORDINARY GENERAL MEETING of the Imperial Tobacco Company (of Great Britain and Ireland), Limited, will be held in the Recreation Hall of the W. D. & H. O. Wills Branch of the Company, Regent Road, East Street, Bedminster, Bristol, on Tuesday, the 25th day of February, 1941, at 2.30 o'clock in the afternoon, to receive the Balance Sheet and Accounts and the Reports of the Directors and Auditors, and to transact the ordinary business of the Company.

By Order,

G. W. ANSON,

Secretary.

BRISTOL,

14th February, 1941.

N.B.—*Only* the holders of Ordinary Stock are entitled to attend the Meeting.

Waterlow & Sons Limited, London Wall, London.

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The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

FORTIETH
ANNUAL REPORT
AND
STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31st OCTOBER 1941.

NOTICE IS HEREBY GIVEN that the FORTIETH ORDINARY GENERAL MEETING of the Imperial Tobacco Company (of Great Britain and Ireland), Limited, will be held at the Recreation Hall of the W. D. & H. O. Wills Branch of the Company, Regent Road, East Street, Bedminster, Bristol, on Tuesday, the 24th day of February, 1942, at 2.30 o'clock in the afternoon, to receive the Balance Sheet and Accounts and the Reports of the Directors and Auditors, and to transact the ordinary business of the Company.

By Order,

G. W. ANSON,
Secretary.

BRISTOL,
13*th February*, 1942.

N.B.—*Only* the holders of Ordinary Stock are entitled to attend the Meeting.

THE LIBRARY OF THE
UNIVERSITY OF

Waterlow & Sons Limited, London Wall, London.

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

Directors.

THE RT. HON. LORD DULVERTON (*Chairman*)

SIR ROBERT JOHN SINCLAIR (*Deputy-Chairman*)

GEORGE WILFRID ANSON
FRANK MANNING ARKLE
HERBERT BARLOW
THE RT. HON. LORD BRADBURY, G.C.B.
HERBERT SOUTHERDEN BURN
SIR WILLIAM ALFRED CHURCHMAN, BT.
CHARLES SAMUEL CLARKE
REGINALD EARLE
GEORGE ADOLPH FALK
HUMPHREY FRANK FIELD
WILLIAM INGHRAM GUNN
CEDRIC CHARLES WALTER HAVELL
LAWRENCE HIGNETT
STEPHEN GUY BURNET JAMES
BRIG.-GEN. HERBERT ARTHUR JONES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
JOHN McKERRELL McKERRELL-BROWN
WILLIAM MILLIGAN
ALEXANDER BLACK MITCHELL
WALTER DOUGLAS MELVILLE WILLS
STEPHEN MITCHELL
JOHN DANE PLAYER
JOHN ASHLEY PLAYER
LESLIE HARTWELL REED
THOMAS MURRAY SOWERBY
EDWIN SELBY TANSLEY
WILLIAM SENNETT THORN
HENRY CLAUDE WILLIAMS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS

Solicitors.

T. M. SOWERBY
R. M. E. REEVES

Auditors.

DELOITTE, PLENDER, GRIFFITHS & CO.

Secretary.

G. W. ANSON

Registered Office.

BRISTOL

REPORT OF THE DIRECTORS

To be presented at the Fortieth Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Fortieth Annual Report to the Members, together with the Audited Balance Sheet at the 31st October, 1941, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows the following figures :—

	£	s.	d.
Net Trading Profit for the year	7,978,479	0	2
Transfer and other Fees received	2,762	6	2
	7,981,241	6	4
Deduct—			
Directors' Fees	£10,000 0 0		
Transfer to General Reserve Account	500,000 0 0		
	510,000	0	0
Balance for the year	7,471,241	6	4
Add—			
Amount brought forward from the Accounts of the preceding year	1,620,936	19	11
Total Profits available for distribution	9,092,178	6	3
Out of this sum there have been or are to be paid—			
Dividends on "A" 5½ per cent. Cumulative Preference Stock :—			
For the half-year ended 30th April, 1941	136,379 7 0		
For the half-year ended 31st October, 1941	136,379 7 0		
Dividends on " B " 6 per cent. Non-Cumulative Preference Stock :—			
For the half-year ended 30th April, 1941	157,814 1 5		
For the half-year ended 31st October, 1941	157,814 1 5		
Dividends on " C " 10 per cent. Non-Cumulative Preference Stock :—			
For the half-year ended 30th April, 1941	131,910 18 0		
For the half-year ended 31st October, 1941	131,910 18 0		
Interim Dividend of 7½ per cent. on Ordinary Stock (free of Income Tax)	2,817,228 13 6		
	3,669,437	6	4
resulting in a balance of	5,422,740	19	11
Out of which it is proposed to pay on the 2nd March next :—			
A Final Dividend of 7½ per cent. for the year on Ordinary Stock (free of Income Tax)	2,817,228 13 6		
Bonus on Ordinary Stock of 2½ per cent. (free of Income Tax)	939,076 4 6		
	3,756,304	18	0
leaving a balance to be carried forward of	£1,666,436	1	11

3. Since the last Ordinary General Meeting Mr. Henry Wills Gunn and Mr. William Goodacre Player have resigned their positions as Directors. Both these gentlemen have been prominently associated with the Company since its inception—Mr. H. W. Gunn as the first Secretary of the Company and subsequently Deputy-Chairman, and Mr. W. G. Player as a Manager of the Player Branch and a Director of the Company for over 40 years. Their resignations have been accepted with regret.

4. The Board have appointed as Directors of the Company Messrs. George Wilfrid Anson, Herbert Barlow, Stephen Guy Burnet James, William Milligan, Henry Claude Williams, and Walter Douglas Melville Wills. Under the Articles of Association they offer themselves for election by the Members.

5. The Directors retiring by rotation under the Articles of Association are Messrs. Herbert Southerden Burn, Humphrey Frank Field, Cedric Charles Walter Havell, Lawrence Hignett, Brig.-General Herbert Arthur Jones, John McKerrell McKerrell-Brown, Leslie Hartwell Reed, Thomas Murray Sowerby, and William Sennett Thorn. They are eligible and offer themselves for re-election.

6. The Auditors, Messrs. Deloitte, Plender, Griffiths & Company, retire, and offer themselves for re-election.

7. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 27th January, 1942.

On behalf of the Board,

DULVERTON, *Chairman.*
GEORGE A. FALK, *Director.*
G. W. ANSON, *Secretary.*

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THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

BALANCE SHEET, 31st October 1941.

	AUTHORISED in Shares of £1 each.	ISSUED and converted into Stock.
	£ s. d.	£ s. d.
CAPITAL—		
"A" 5½ per cent. Cumulative Preference Shares	6,000,000 0 0	4,959,249 0 0
"B" 6 per cent. Non-Cumulative Preference Shares	6,000,000 0 0	5,260,469 0 0
"C" 10 per cent. Non-Cumulative Preference Shares	3,000,000 0 0	2,638,218 0 0
Ordinary Shares	40,000,000 0 0	37,563,049 0 0
	£55,000,000 0 0	50,420,985 0 0
Deposits by, and Current Accounts with—		
Subsidiary Companies	1,684,201 2 7	
Associated Companies	543 7 4	
		1,684,744 9 11
Creditors: Provisions for Income Tax and other Taxation and Bonus to Customers; Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund and for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts		30,362,592 5 4
Widows and Orphans Benefit Account		81,674 7 4
General Reserve Account per last Balance Sheet	8,500,000 0 0	
Add: Transfer from Profit and Loss Account for the year ended 31st October 1941	500,000 0 0	
		9,000,000 0 0
Profit and Loss Account—		
Balance for the year	7,471,241 6 4	
Balance at 31st October 1940	1,620,936 19 11	
	9,092,178 6 3	
Deduct: Interim Dividends paid on :—		
"A" 5½ per cent. Cumulative Preference Stock £136,379 7 0		
"B" 6 per cent. Non-Cumulative Preference Stock 157,814 1 5		
"C" 10 per cent. Non-Cumulative Preference Stock 131,910 18 0		
Ordinary Stock 2,817,228 13 6		
	3,243,332 19 11	
		5,848,845 6 4
		£97,398,841 8 11

MEMO.—(a) There are contingent liabilities of the nature of guarantees of dividends on shares in two Subsidiary Companies.
(b) There is a contingent liability by way of guarantee in respect of the Pension Fund instituted by the Company.
(c) There is an uncalled liability on Investments held of £49,941.

	£ s. d.
Land, Buildings, Plant and Machinery—at cost, less amounts written off	5,119,980 14 4
Goodwill, Patent Rights and Trade Marks—at cost, less proceeds of sales and amounts written off	9,272,581 16 0
Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place :—	
Shares in Subsidiary Companies £6,354,524 14 8	
Shares and Debentures in Associated Companies ... 8,821,092 4 0	
	15,175,616 18 8
NOTE.—In the aggregate the value of the above Investments is largely in excess of the book figure.	
Loans to, and Current Accounts with—	
Subsidiary Companies 644,800 18 7	
Associated Companies 1,019,362 3 0	
	1,664,163 1 7
Stock-in-Trade at approximate cost, and Advances to Leaf Buying Branches abroad	28,527,715 6 5
Debtors (less Reserves for Discounts and doubtful Debts)	22,335,201 15 0
Government and other Securities—at cost, less amounts written off in those cases where depreciation has taken place	9,815,049 1 3
(Market Value at 31st October 1941—£9,888,125 4s. 7d.)	
Loans to Corporations and Public Boards, and other Investments not officially quoted—at or under cost	1,502,245 1 2
Cash at Bankers and in hand	3,986,287 14 6
	£97,398,841 8 11

AUDITORS' REPORT TO THE MEMBERS OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

We have examined the above Balance Sheet dated the 31st October 1941 with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations we have required. In our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C.2.
27th January, 1942.

DELOITTE, PLENDER, GRIFFITHS & Co., *Auditors*,
Chartered Accountants.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account.

DULVERTON, *Chairman.*
GEORGE A. FALK, *Director.*

P. V. ROBERTS,
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*
GEORGE A. FALK, *Director.*
G. W. ANSON, *Secretary.*

PROFIT AND LOSS ACCOUNT, for the year ended 31st October 1941.

	£ s. d.
Directors' Fees	10,000 0 0
Transfer to General Reserve Account	500,000 0 0
Balance carried to Balance Sheet	7,471,241 6 4
	£7,981,241 6 4

	£ s. d.
Net Trading Profit and Interest and Dividends on Investments and Loans (**including Dividends from Companies operating outside the United Kingdom**), after providing for Management Remuneration, Depreciation of Buildings, Plant and Machinery, Income Tax and other Taxation, Working Expenses, Head Office and Registration Charges, Bonus to Customers, Pension Fund Contributions, etc.	7,978,479 0 2
Transfer and other Fees	2,762 6 2
	£7,981,241 6 4

APPROPRIATION ACCOUNT.

	£ s. d.	£ s. d.
Dividends on "A" 5½ per cent. Cumulative Preference Stock—		
Interim Dividend to 30th April 1941	136,379 7 0	
Final Dividend to 31st October 1941	136,379 7 0	
		272,758 14 0
Dividends on "B" 6 per cent. Non-Cumulative Preference Stock—		
Interim Dividend to 30th April 1941	157,814 1 5	
Final Dividend to 31st October 1941	157,814 1 5	
		315,628 2 10
Dividends on "C" 10 per cent. Non-Cumulative Preference Stock—		
Interim Dividend to 30th April 1941	131,910 18 0	
Final Dividend to 31st October 1941	131,910 18 0	
		263,821 16 0
Dividends on Ordinary Stock—		
Interim Dividend of 7½ per cent. (free of Income Tax)	2,817,228 13 6	
Proposed Final Dividend of 7½ per cent. (free of Income Tax) ...	2,817,228 13 6	
Proposed Bonus of 2½ per cent. (free of Income Tax)	939,076 4 6	
		6,573,533 11 6
Balance carried forward		1,666,436 1 11
		£9,092,178 6 3

	£ s. d.
Balance from Profit and Loss Account for the year	7,471,241 6 4
Balance of undivided Profit at 31st October 1940	1,620,936 19 11
	£9,092,178 6 3

THE IMPERIAL TOBACCO COMPANY

(OF GREAT BRITAIN AND IRELAND), LTD.

COMBINING :—

W. D. & H. O. Wills	Bristol, London, Glasgow, Swindon, Belfast and Dublin.
Franklyn, Davey & Co.	Bristol.
Edwards, Ringer & Bigg	
Lambert & Butler	London.
Adkin & Sons	
W. & F. Faulkner	
John Player & Sons	Nottingham and Dublin.
W. T. Davies & Sons	Chester.
W. Williams & Co.	
W. A. & A. C. Churchman	Ipswich.
Hignett Brothers & Co.	Liverpool.
William Clarke & Son	Dublin.
Ogden	Liverpool and London.
Stephen Mitchell & Son	Glasgow.
F. & J. Smith	
D. & J. Macdonald	

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1941/42

The Imperial Tobacco Company (of Great Britain and Ireland), LIMITED.

REPORT OF THE DIRECTORS

To be presented at the Forty-first Annual General Meeting of the Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Forty-first Annual Report to the Members, together with the Audited Balance Sheet at the 31st October, 1942, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows the following figures :—

		£
Net Trading Profit for the year ...		7,967,465
Transfer and other Fees received		2,873
Amount brought forward from the Accounts of the preceding year...		1,666,436
		9,636,774
Deduct—		
Directors' Fees ...	£10,000	
Transfer to General Reserve Account	500,000	
		510,000
Total Profits available for distribution ...		9,126,774
Out of this sum there have been or are to be paid—		
Preference Dividends for the year ended 31st October, 1942 ...	852,208	
Interim Dividend of 7½ per cent. on Ordinary Stock (free of Income Tax)...	2,817,229	
		3,669,437
resulting in a balance of ...		5,457,337
Out of which it is proposed to pay on the 1st March next :—		
A Final Dividend of 7½ per cent. for the year on Ordinary Stock (free of Income Tax)	2,817,229	
Bonus on Ordinary Stock of 2½ per cent. (free of Income Tax)	939,076	
		3,756,305
leaving a balance to be carried forward of ...		£1,701,032

3. Since the last Ordinary General Meeting Mr. Reginald Earle, the first Chief Engineer of the Company and subsequently a Member of the Executive Committee, has resigned his position as a Director. His resignation has been accepted with regret.

4. The Directors retiring by rotation under the Articles of Association are The Rt. Hon. Lord Dulverton of Batsford, Sir Robert John Sinclair, K.B.E., The Rt. Hon. Lord Bradbury of Winsford, G.C.B., Messrs. Frank Manning Arkle, Charles Samuel Clarke, George Adolph Falk, Ernest George Mardon, John Ashley Player, John Dane Player, and Edwin Selby Tansley. They are eligible and offer themselves for re-election.

5. The Auditors, Messrs. Deloitte, Plender, Griffiths & Company, retire, and offer themselves for re-election.

6. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

Dated the 26th day of January, 1943.

On behalf of the Board,

DULVERTON, *Chairman.*
GEORGE A. FALK, *Director.*
G. W. ANSON, *Secretary.*

THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

BALANCE SHEET, 31st October 1942.

1941.		AUTHORISED in Shares of £1 each.	ISSUED and converted into Stock.
£	CAPITAL—	£	£
4,959,249	"A" 5½% Cumulative Preference Shares	6,000,000	4,959,249
5,260,469	"B" 6% Non-Cumulative Preference Shares ...	6,000,000	5,260,469
2,638,218	"C" 10% Non-Cumulative Preference Shares ...	3,000,000	2,638,218
37,563,049	Ordinary Shares	40,000,000	37,563,049
50,420,985		£55,000,000	£50,420,985
8,500,000	General Reserve as per last Balance Sheet ... £9,000,000		
500,000	*Add:* Transfer from Profit and Loss Account for the year ended 31st October, 1942 500,000		
9,000,000		9,500,000	
1,666,436	Profit and Loss Account—after providing for proposed final dividends and bonus	1,701,032	
10,666,436			11,201,032
30,362,592	Creditors, including provision for Taxation, Estimated Capital Liability under Dividend Guarantees; Amounts set aside for Obligations to Pension Fund and for Contingencies, including fluctuations in the value of leaf tobacco stocks; Employers' Liability, Marine and other Insurance Accounts	41,089,490	
—	Bank Loan	7,500,000	
	Deposits by and Current Accounts with—		
1,684,201	Subsidiary Companies £2,674,415		
544	Associated Companies 126		
		2,674,541	
81,675	Widows and Orphans Benefit Account	56,917	
426,104	Dividends on Preference Stocks for the half-year to 31st October, 1942	426,104	
3,756,305	Provision for Proposed Final Dividend and Bonus on Ordinary Stock	3,756,305	
36,311,421			55,503,357

There are Contingent Liabilities in respect of:—

(*a*) Guarantees of dividends on shares in two Subsidiary Companies.

(*b*) Guarantee in respect of the Pension Fund instituted by the Company.

(*c*) Uncalled liability on Investments £49,941.

1941.			
£		£	£
5,119,981	Land, Buildings, Plant and Machinery at cost, less amounts written off	4,851,400	
9,272,582	Goodwill, Patent Rights and Trade Marks at cost, less proceeds of sales and amounts written off	9,272,582	
14,392,563			14,123,982
	Investments in Subsidiary and Associated Companies at cost, less amounts written off in those cases where depreciation has taken place—		
	Subsidiary Companies—		
6,354,525	Shares £6,437,251		
644,801	Loan and Current Accounts ... 543,093		
6,999,326		6,980,344	
	Associated Companies—		
8,821,092	Shares and Debentures ... £8,801,991		
1,019,362	Loan and Current Accounts 960,834		
9,840,454		9,762,825	
			16,743,169
	NOTE.—In the aggregate the value of the above investments is largely in excess of the book figure.		
28,527,715	Stock-in-Trade at approximate cost and Advances to Leaf Buying Branches abroad	43,869,197	
22,335,202	Debtors (less Reserve for Discounts and Doubtful Debts)	29,976,761	
9,815,049	Government and Other Securities—at cost, less amounts written off in those cases where depreciation has taken place ... ... (Market Value, £664,283.)	631,024	
1,502,245	Loans to Corporations and Public Boards and other Investments not officially quoted—at or under cost ...	1,451,126	
—	Tax Reserve Certificates	7,000,000	
3,986,288	Cash at Bankers and in hand	3,330,115	
66,166,499			86,258,223

£97,398,842	£117,125,374

£97,398,842	£117,125,374

AUDITORS' REPORT TO THE MEMBERS
OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

We have examined the above Balance Sheet dated 31st October 1942 with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations we have required. In our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C.2.
26th January, 1943.

DELOITTE, PLENDER, GRIFFITHS & Co., *Auditors*,
Chartered Accountants.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their last audited accounts, except in so far as such Profits have been received in the form of dividends and included in Profit and Loss Account.

DULVERTON, *Chairman.*
GEORGE A. FALK, *Director.*

P. V. ROBERTS
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*

GEORGE A. FALK, *Director.*

G. W. ANSON, *Secretary.*

PROFIT AND LOSS ACCOUNT for the year ended 31st October 1942.

1941.		£	£
£			
10,000	Directors' Fees		10,000
500,000	Transfer to General Reserve		500,000
	Dividends Paid and Proposed :—		
	Preference Stocks :		
426,104	Half-year to 30th April, 1942 (Paid)		426,104
426,104	Half-year to 31st October, 1942 (Payable) ...		426,104
	Ordinary Stock :		
2,817,229	Interim Dividend of 7½ per cent. (free of Income Tax)		2,817,229
2,817,229	Proposed Final Dividend of 7½ per cent. (free of Income Tax)	2,817,229	
939,076	Proposed Bonus of 2½ per cent. (free of Income Tax)	939,076	
			3,756,305
1,666,436	Balance carried forward as per Balance Sheet		1,701,032
£9,602,178			£9,636,774

1941.		£
£		
	Net Trading Profit and Interest and Dividends on Investments and Loans (**including Dividends from Companies operating outside the United Kingdom**), after providing for Management Remuneration, Depreciation of Buildings, Plant and Machinery, Income Tax and other Taxation, Working Expenses, Head Office and Registration Charges, Bonus to Customers, Pension Fund Contributions,	
7,978,479	War Damage Insurance Premiums, etc.	7,967,465
2,762	Transfer and other Fees	2,873
1,620,937	Balance of undivided Profit at 31st October, 1941	1,666,436
£9,602,178		£9,636,774

If undelivered please return to sender :—
THE IMPERIAL TOBACCO CO. (OF GREAT BRITAIN AND IRELAND), LTD., BRISTOL 3.

The Imperial Tobacco Company (of Great Britain and Ireland), Limited.

Directors.

THE RT. HON. LORD DULVERTON (*Chairman*)
SIR ROBERT JOHN SINCLAIR, K.B.E. (*Deputy-Chairman*)

GEORGE WILFRID ANSON
FRANK MANNING ARKLE
HERBERT BARLOW
THE RT. HON. LORD BRADBURY, G.C.B.
HERBERT SOUTHERDEN BURN
SIR WILLIAM ALFRED CHURCHMAN, BT.
CHARLES SAMUEL CLARKE
GEORGE ADOLPH FALK
HUMPHREY FRANK FIELD
WILLIAM INGHRAM GUNN
CEDRIC CHARLES WALTER HAVELL
LAWRENCE HIGNETT
STEPHEN GUY BURNET JAMES
BRIG.-GEN. HERBERT ARTHUR JONES
JOHN DUNCAN MACDONALD
ERNEST GEORGE MARDON
JOHN MCKERRELL MCKERRELL-BROWN
WILLIAM MILLIGAN
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN DANE PLAYER
JOHN ASHLEY PLAYER
LESLIE HARTWELL REED
THOMAS MURRAY SOWERBY
EDWIN SELBY TANSLEY
WILLIAM SENNETT THORN
HENRY CLAUDE WILLIAMS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS
WALTER DOUGLAS MELVILLE WILLS

Solicitors.

T. M. SOWERBY
R. M. E. REEVES

Auditors.

DELOITTE, PLENDER, GRIFFITHS & CO.

Secretary.

G. W. ANSON

Registered Office.

BRISTOL

NOTICE IS HEREBY GIVEN that the FORTY-FIRST ORDINARY GENERAL MEETING of the Imperial Tobacco Company (of Great Britain and Ireland), Limited, will be held at the Recreation Hall of the W. D. & H. O. Wills Branch of the Company, Regent Road, East Street, Bedminster, Bristol, on Tuesday, the 23rd day of February, 1943, at 2.30 o'clock in the afternoon, to receive the Balance Sheet and Accounts and the Reports of the Directors and Auditors, and to transact the ordinary business of the Company.

THE LIBRARY OF THE
MAR 2 4 1951
UNIVERSITY OF ILLINOIS

By Order,

BRISTOL,
12th *February*, 1943.

G. W. ANSON,
Secretary.

N.B.—*Only* the holders of Ordinary Stock are entitled to attend the Meeting.

Waterlow & Sons Limited, London Wall, London.

The Imperial Tobacco Company (of Great Britain and Ireland), Limited.

338.7
Im7
1944/45

DIRECTORS.

THE RT. HON. LORD DULVERTON (*Chairman*)
SIR ROBERT JOHN SINCLAIR, K.C.B., K.B.E. (*Deputy Chairman*)

GEORGE WILFRID ANSON
FRANK MANNING ARKLE
HERBERT BARLOW
THE RT. HON. LORD BRADBURY, G.C.B.
HERBERT SOUTHERDEN BURN, C.B.E.
SIR WILLIAM ALFRED CHURCHMAN, BT.
CHARLES SAMUEL CLARKE
ROGER SIMON WOODCHURCH CLARKE
GEORGE ADOLPH FALK
WILLIAM INGHRAM GUNN
BERNARD HOPE HARRISON
CEDRIC CHARLES WALTER HAVELL
STEPHEN GUY BURNET JAMES
BRIG.-GEN. HERBERT ARTHUR JONES, C.B.E.
JOHN McKERRELL McKERRELL-BROWN
WILLIAM MILLIGAN
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN ASHLEY PLAYER
LESLIE HARTWELL REED
THOMAS MURRAY SOWERBY
ARTHUR GORDON THOMSON
WILLIAM SENNETT THORN
HENRY CLAUDE WILLIAMS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS
WALTER DOUGLAS MELVILLE WILLS.

SOLICITOR.
R. M. E. REEVES

AUDITORS.
DELOITTE, PLENDER, GRIFFITHS & CO.

SECRETARY.
G. W. ANSON

REGISTERED OFFICE.
BRISTOL

MAR 21 '51
UNIVERSITY OF ILLINOIS

NOTICE IS HEREBY GIVEN that the FORTY-FOURTH ORDINARY GENERAL MEETING of The Imperial Tobacco Company (of Great Britain and Ireland), Limited, will be held at the Recreation Hall of the W.D. & H. O. Wills Branch of the Company, Regent Road, East Street, Bedminster, Bristol, on Tuesday, the 26th day of February, 1946, at 12 noon, to receive the Balance Sheet and Accounts and the Reports of the Directors and Auditors, to transact the ordinary business of the Company and to consider, and, if thought fit, pass as a Special Resolution the subjoined Resolution of which notice has been duly given by advertisement.

RESOLUTION.

That the Articles of Association be altered by the substitution of the following Article for Article 145 :—

"145. At the Ordinary Meeting in every year the Directors shall lay before the Company a profit and loss account and a balance sheet containing a summary of the property and liabilities of the Company made up from the time when the last preceding account and balance sheet were made to a date not more than nine months before the Meeting and such balance sheet shall have annexed thereto every document required by law to be annexed thereto."

By Order of the Board,

BRISTOL,
15*th February*, 1946.

G. W. ANSON,
Secretary.

N.B.—*ONLY* the holders of Ordinary Stock are entitled to attend the Meeting.

The reasons for proposing the alteration in Article 145, are set out in paragraph 3 of the accompanying Directors' Report.

It has not been thought necessary to send stamped proxy forms to each Stockholder, but these will be supplied, if desired, on application to the Secretary.

338.7
In 1
1944/5

THE IMPERIAL TOBACCO COMPANY (OF

BALANCE SHEET

1944.			AUTHORISED in Shares of £1 each.	ISSUED and converte into Stock
£			£	£
	CAPITAL—			
4,959,249	"A" 5½% Cumulative Preference Shares		6,000,000	4,959,24
5,260,469	"B" 6% Non-Cumulative Preference Shares		6,000,000	5,260,46
2,638,218	"C" 10% Non-Cumulative Preference Shares		3,000,000	2,638,21
37,563,049	Ordinary Shares		40,000,000	37,563,04
50,420,985			£55,000,000	£50,420,98
	LOAN CAPITAL—			
—	3% Ten Year Notes 1950–55			10,000,00
	REVENUE RESERVES—			
10,000,000	General Reserve at 31st October, 1944 ...	£10,500,000		
500,000	*Add :* Transfer from Profit and Loss Account for the year ended 31st October, 1945	500,000		
			11,000,000	
—	Redemption Reserve		1,000,000	
	Profit and Loss Account—			
1,869,758	Balance brought forward from previous year	1,988,025		
118,267	*Add :* Balance for year ended 31st October, 1945	424,055		
			2,412,080	
5,668,052	Contingencies including fluctuations in the value of leaf tobacco stocks		5,668,052	
18,156,077				20,080,13
	DEFERRED LIABILITY—			
3,462,751	Provision towards the 1946–47 Income Tax liability ...			3,140,75
	CURRENT LIABILITIES AND PROVISIONS—			
22,487,069	Creditors, Taxation and Accrued Liabilities		17,722,157	
10,297,663	Bank Overdraft		14,366,731	
	Deposits by and Current Accounts with—			
3,050,816	Subsidiary Companies	3,930,579		
—	Associated Companies	—		
			3,930,579	
	Provision for Obligations to Pension Fund—			
	Balance at 31st October, 1944 ...	2,159,859		
	Less : Instalment paid to Fund under Actuary's Certificate	108,000		
2,159,859			2,051,859	
342,126	Provisions for Deferred Repairs and other requirements		342,126	
722,694	Employers' Liability, Marine and other Insurance Accounts		721,873	
108,926	Widows and Orphans Benefit Account		86,057	
218,378	Dividends on Preference Stocks for the half-year to 31st October, 1945 (less Income Tax)		218,378	
3,756,305	Proposed Final Dividend and Bonus on Ordinary Stock (free of Income Tax)		3,756,305	
43,143,836	There are Contingent Liabilities in respect of :— (*a*) Guarantees of dividends on shares in two Subsidiary Companies. (*b*) Guarantee in respect of the Pension Fund instituted by the Company.			43,196,065
£115,183,649	(*c*) Uncalled liability on Investments £57,941.			£126,837,939

AUDITORS' REPORT TO THE MEMBERS OF THE IMPERIAL T

We have examined the above Balance Sheet dated 31st October, 1945, with the books at the Head O information and explanations we have required. In our opinion such Balance Sheet is properly drawn up so and the explanations given to us, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C.2.
29*th January*, 1946.

No credit has been taken for Profits earned by Subsidiary Companies for the period covered by their in Profit and Loss Account.

REAT BRITAIN AND IRELAND), LIMITED.

31st October, 1945.

1944. £		£	£	£	£
	FIXED ASSETS—				
	Land and Buildings at cost ...	7,292,196			
	Less : Amounts written off	5,239,466			
2,124,733			2,052,730		
	Plant and Machinery at cost ...	6,531,793			
	Less : Amounts written off	4,582,041			
2,010,495			1,949,752		
				4,002,482	
	Goodwill, Patent Rights and Trade Marks at cost, less proceeds of sales...		9,386,582		
	Less : Amounts written off...		114,000		
9,272,582				9,272,582	
13,407,810					13,275,064
	INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES, at or under cost—				
	Subsidiary Companies—				
6,051,728	Shares and Debentures		6,139,092		
997,329	Loans and Current Accounts		1,634,393		
7,049,057				7,773,485	
	Associated Companies—				
8,781,302	Shares and Debentures		8,762,735		
1,098,491	Loans and Current Accounts		1,136,709		
9,879,793				9,899,444	
					17,672,929
	NOTE.—In the aggregate the value of the above investments is largely in excess of the book figure.				
	CURRENT ASSETS—				
49,468,720	Stock-in-Trade at approximate cost and Advances to Leaf Buying Branches abroad			57,512,085	
33,861,164	Debtors (less Provision for Discounts and Doubtful Debts)			37,359,713	
348,256	Government and Other Securities (quoted), at or under cost ... ... (Market Value £449,752)			347,265	
345,284	Loans to Corporations and Public Boards and other investments not officially quoted, at or under cost			84,929	
823,565	Bank Balances and Cash in hand			585,954	
84,846,989					95,889,946

P. V. ROBERTS
(Chartered Accountant),
Chief Accountant.

DULVERTON, *Chairman.*

R. J. SINCLAIR, *Deputy Chairman.*

G. W. ANSON, *Secretary.*

£115,183,649 £126,837,939

TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.
...ff in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the ...o exhibit a true and correct view of the state of the Company's affairs according to the best of our information

DELOITTE, PLENDER, GRIFFITHS & Co., *Auditors,*
Chartered Accountants.

...e audited accounts, except in so far as such Profits have been received in the form of dividends and included

DULVERTON, *Chairman.*
R. J. SINCLAIR, *Deputy Chairman.*

PROFIT AND LOSS ACCOUNT for the year ended 31st October, 1945.

1944.			1944.		
£		£	£		£
425,706	Depreciation of Buildings, Plant and Machinery ...	313,658	16,237,420	Trading Profit for the year	13,221,616
10,000	Directors' Fees	10,000		Dividends and Interest from Subsidiary and	
19,160	War Damage Premiums	5,242	2,831,563	Associated Companies	2,945,556
50,000	Provision for Deferred Repairs	—	62,967	Income from Other Investments	45,334
200,000	Provision for Obligations to Pension Fund	—	—	Excess Profits Tax—estimated refund for the year...	1,400,000
—	Discount on Ten Year Notes and Expenses of Issue	62,540			
—	Interest paid and accrued on Ten Year Notes ...	172,534			
447,470	Bank and other interest	694,187			
2,626,057	Excess Profits Tax	—			
7,725,000	Income Tax on Profits for the year	7,420,000			
7,628,557	Balance carried down	8,934,345			
£19,131,950		£17,612,506	£19,131,950		£17,612,506
500,000	Transfer to General Reserve	500,000	7,628,557	Balance brought down	8,934,345
—	„ „ Redemption Reserve	1,000,000			
	Dividends Paid and Proposed :				
	Preference Stocks.				
	Half year to 30th April, 1945 (paid) less				
218,378	Income Tax	218,378			
	Half-year to 31st October, 1945 (payable)				
218,378	less Income Tax	218,378			
	Ordinary Stock.				
	Interim Dividend of 7½ per cent. (free of				
2,817,229	Income Tax)	2,817,229			
	Proposed Final Dividend of 7½				
2,817,229	per cent. (free of Income				
	Tax) £2,817,229				
	Proposed Bonus of 2½ per cent.				
939,076	(free of Income Tax) ... 939,076				
		3,756,305			
118,267	Balance carried to Balance Sheet	424,055			
£7,628,557		£8,934,345	£7,628,557		£8,934,345

The Imperial Tobacco Company (of Great Britain and Ireland), Limited.

REPORT OF THE DIRECTORS

To be presented at the Forty-fourth Annual General Meeting of The Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Forty-fourth Annual Report to the Members, together with the Audited Balance Sheet at the 31st October, 1945, and a Profit and Loss Account for the twelve months ended that date.

2. The Profit and Loss Account shows a balance of profit of £8,934,345 after providing for all charges including Directors' Fees and Income Tax. The Directors propose that the profit shall be allocated as set out in the Profit and Loss Account.

3. The form of the Company's annual accounts has been reviewed by the Directors in the light of the Cohen Committee Report on Company Law Amendment, and effect has been given to a number of the recommendations made therein.

Consolidated accounts are not included because there has not been time to prepare them for the Annual General Meeting on the 26th February.

In order that they may be submitted in future, it will be necessary to alter Article 145 of the Company's Articles of Association, which requires the accounts to be submitted to the Annual General Meeting within four months of the close of the financial year.

The Directors have therefore given notice of a proposed alteration in Article 145 whereby the time limit will be extended to nine months, the maximum permitted by the Companies Act 1929. It is, however, hoped that future Annual General Meetings will be held not later than five months after the end of the Company's financial year.

4. Although there was some increase in the Company's sales for 1945, there was a reduction in trading profit which was chiefly caused by a considerable increase in the cost of leaf tobacco used. The refund of Excess Profits Tax is largely due to the Company's standard for 1945 as now estimated being nearly £1,000,000 more than for 1944—the result of a large increase in "capital employed in the business."

To help in meeting this increase the Company, with the consent of the Treasury, issued £10,000,000 3 per cent. Ten Year Notes at 99¼, the discount and expenses of issue being written off against the profits for the year. Notwithstanding the issue of these Notes the Bank Overdraft shows an increase over last year.

The Directors consider it to be in the Company's interests to use internal resources as far as possible to reduce the substantial shortage of working capital which has developed in recent years. They therefore propose, as shown in the Profit and Loss Account, to allocate in addition to the usual transfer of £500,000 to General Reserve a sum of £1,000,000 to Redemption Reserve.

5. It will be seen on the Balance Sheet that against the Provision for Obligations to Pension Fund there has been charged £108,000. This represents the sixth of twenty annual instalments payable under a certificate given by the Actuary following the quinquennial valuation of the Pension Fund as at 30th April, 1939.

The quinquennial valuation as at 30th April, 1944, was not completed in time for effect to be given to the Actuary's recommendation that the Company should pay into the Fund an additional annual sum of £26,700 for a period of twenty years from the valuation date.

6. Other major features of the Accounts are dealt with in the following comments :—

Balance Sheet.

Loans to and Current Accounts with Subsidiary and Associated Companies—Increase £637,064. This is mainly owing to increased balances on current accounts of a trading nature.

Stock-in-Trade, etc.—Increase £8,043,365. Stocks of unmanufactured leaf were considerably larger in volume than at 31st October, 1944, and the average cost per lb. of such stocks was higher.

Debtors—Increase £3,498,549. This was almost entirely caused by increased sales in the last few weeks of the year, following an increase in the quota of leaf which the Company is allowed to withdraw from bond.

Creditors, etc.—Decrease £4,764,912. The chief reason for this decrease is that the estimated liability for Excess Profits Tax incurred in years prior to the year under review had been almost cleared at 31st October, 1945.

Profit and Loss Account.

Income Tax on Profits for the year—Decrease £305,000. Although the profits for the year as adjusted for the purpose of assessment to Income Tax are estimated to be greater than the corresponding figure for the year ended 31st October, 1944, provision has only to be made at 9s. in the £ against 10s. last year.

Excess Profits Tax. There is an estimated refund of £1,400,000 as compared with a charge last year of £2,626,057. This has been referred to in paragraph 4 above. Except in one or two minor instances no charge has been made to Subsidiary Companies, nor has any credit been given.

7. A report of the Annual General Meeting will be published in the Press.

8. Since the last Ordinary General Meeting, Mr. John Dane Player has resigned from the Board. His resignation has been accepted with regret.

9. The Directors retiring by rotation under the Articles of Association are The Rt. Hon. Lord Dulverton of Batsford, Sir Robert John Sinclair, K.C.B., K.B.E., The Rt. Hon. Lord Bradbury of Winsford, G.C.B., Messrs. George Wilfrid Anson, Frank Manning Arkle, Herbert Barlow, Charles Samuel Clarke, George Adolph Falk, and John Ashley Player. They are eligible and offer themselves for re-election.

10. The Auditors, Messrs. Deloitte, Plender, Griffiths & Company, retire, and offer themselves for re-election.

11. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

12. It is proposed that the Dividend and Bonus on Ordinary Stock should be paid on 8th March.

Dated the 29th day of January, 1946.

On behalf of the Board,

DULVERTON, *Chairman.*
R. J. SINCLAIR, *Deputy Chairman.*
G. W. ANSON, *Secretary.*

If undelivered, please return to sender :—
THE IMPERIAL TOBACCO CO. (OF GREAT BRITAIN AND IRELAND), LTD., **BRISTOL**, 3.

338.7
Im7
1945/46

The Imperial Tobacco Company (of Great Britain and Ireland), Limited.

DIRECTORS.

THE RT. HON. LORD DULVERTON (*Chairman*)
SIR ROBERT JOHN SINCLAIR, K.C.B., K.B.E. (*Deputy Chairman*)

GEORGE WILFRID ANSON
FRANK MANNING ARKLE
HERBERT BARLOW
THE RT. HON. LORD BRADBURY, G.C.B.
HERBERT SOUTHERDEN BURN, C.B.E.
SIR WILLIAM ALFRED CHURCHMAN, BT.
CHARLES SAMUEL CLARKE
ROGER SIMON WOODCHURCH CLARKE
GEORGE ADOLPH FALK
BERNARD HOPE HARRISON
CEDRIC CHARLES WALTER HAVELL
STEPHEN GUY BURNET JAMES
BRIG.-GEN. HERBERT ARTHUR JONES, C.B.E.
JOHN McKERRELL McKERRELL-BROWN
WILLIAM MILLIGAN
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN ASHLEY PLAYER
LESLIE HARTWELL REED
RICHARD MERVYN EDMUND REEVES
THOMAS MURRAY SOWERBY
ARTHUR GORDON THOMSON
WILLIAM SENNETT THORN
HENRY CLAUDE WILLIAMS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS
WALTER DOUGLAS MELVILLE WILLS

SOLICITOR.
R. M. E. REEVES

AUDITORS.
DELOITTE, PLENDER, GRIFFITHS & CO.

SECRETARY.
E. J. PARTRIDGE

REGISTERED OFFICE.
BRISTOL

NOTICE IS HEREBY GIVEN that the FORTY-FIFTH ORDINARY GENERAL MEETING of The Imperial Tobacco Company (of Great Britain and Ireland), Limited, will be held at the Recreation Hall of the W. D. & H. O. Wills Branch of the Company, Regent Road, East Street, Bedminster, Bristol, on Tuesday, the 18th day of March, 1947, at 12 noon, to receive the Balance Sheet and Accounts and the Reports of the Directors and Auditors, and to transact the ordinary business of the Company, and, as special business, to consider and, if thought fit, to pass the following Resolution :—

RESOLUTION.

" That in accordance with Article 62 of the Articles of Association of the Company the Directors be and they are hereby authorised from time to time and at any time or times to raise borrow or secure the payment of money for the purposes of the Company so that the amount at any one time owing may be in excess of the nominal amount of the Capital of the Company, provided that the amount at any one time owing in respect of moneys so raised borrowed or secured by the Directors shall not exceed one and one-half times the amount of the nominal Capital of the Company."

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By Order of the Board,
E. J. PARTRIDGE,
Secretary.

BRISTOL,
6th *March*, 1947.

N.B.—*ONLY* the holders of Ordinary Stock are entitled to attend the Meeting.

The Imperial Tobacco Company (of Great Britain and Ireland), Limited.

REPORT OF THE DIRECTORS

To be presented at the Forty-fifth Annual General Meeting of The Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Forty-fifth Annual Report to the Members, together with the Audited Balance Sheet at 31st October, 1946, a Profit and Loss Account for the year ended that date, an Audited Consolidated Balance Sheet at 31st October, 1946, and a Consolidated Profit and Loss Account for the year ended that date.

2. The Profit and Loss Account shows a balance of profit of £10,052,256 after providing for all charges including Taxation and Directors' Fees. The Directors propose that the profit shall be allocated as set out in the Profit and Loss Account. In paragraphs 3 to 9 explanatory notes are given on the major features of the accounts.

3. Investments in Subsidiary and Sub-Subsidiary Companies and Trade Investments.

The combined total of these investments is very much the same as last year. Since the date of the last Balance Sheet a small part of the Company's interests in certain Subsidiary Companies was realised, with the result that it has been necessary to classify the remaining shares in these Companies as Trade Investments. Last year's figures have been adjusted in these accounts so as to show the 1945 balance-sheet values in true comparison with the re-classification shown at 31st October, 1946.

There is also a note to the effect that the market value of Trade Investments at 31st October, 1946 was £56,514,142, but it should be realised that a very large part of this sum originated in the sale of the Goodwill of your Company's export business in 1902 and, as such, should be regarded as in the nature of a fixed asset.

4. Current Assets.

Stock-in-Trade—Increase £20,997,285.

An appreciable rise in leaf prices accounts to some extent for the increase, but by far the greater part is attributable to the fact that in the marketing of the 1946 crop in U.S.A. a return was made to the normal pre-war practice of paying for the Company's purchases as they were made on the auction floors.

During 1945 and the war years payment for these purchases was deferred and ownership did not pass until after the tobacco had been imported into this country, with the result that balance-sheet stocks of leaf did not include in those years—as they did in 1946—the main part of the purchases from the current crop.

Despite therefore the substantial increase in the Stock-in-Trade item at 31st October, 1946 your Company's real stock position shows only a slight improvement.

Debtors—Increase £2,869,231.

This increase in outstanding accounts at the close of the period reflects the higher level of sales referred to in paragraph 7.

5. Working Capital.

Mainly owing to the earlier payment for leaf purchases, as explained in paragraph 4, the Company's liability on short-term borrowings is considerably greater than it was a year ago. In addition to the Ten Year Notes, which at £10,000,000 stand at the same figure as last year, a further £10,000,000 has been borrowed on Acceptance Credits ; and the Bank Overdraft has risen from £14,366,731 to £26,293,907. But for the receipt during the year of a Post-War Refund of Excess Profits Tax amounting to £4,096,350 the Bank Overdraft would have exceeded £30,000,000. This Refund, which is provisional, represents substantially the total amount estimated to be receivable. Your Directors, however, think it right to draw attention to the fact that the fulfilment of plans already made for new factories and plant will entail considerable further expenditure.

It will be obvious that the issued capital is very far short of the capital employed in the business. It will moreover be equally obvious that the reserves of the Company are fully employed in the business and that the Company needs to obtain further capital if the very large amount now at relatively short call is to be materially reduced.

Pending a satisfactory adjustment of the position on a permanent basis your Directors recommend that a resolution pursuant to Article 62 of the Company's Articles of Association be passed to increase their borrowing powers. The proposed resolution is set out in the Notice convening the Annual General Meeting.

6. Creditors—Decrease £4,127,598.

At 31st October, 1945, as at the end of previous financial years during the war, there was an outstanding liability for leaf allocated to the Company by the Board of Trade but not invoiced till later. At 31st October, 1946 nothing was owed on this account.

7. Profit and Loss Account.

The trading profit for the year at £16,271,434 marks a recovery to approximately the level reached in the year ended October, 1944.

There are however substantial adjustments to be made in respect of taxation and after allowing for these and crediting Income from Investments and providing for the charges to be met out of profits as set out in the accounts the balance carried down is £10,052,256, which is an increase of £1,117,911 as compared with 1945.

The recovery in trading profit is accounted for by a number of factors, included in which are an increase in the volume of sales consequent upon increases in the quota of leaf which Manufacturers were allowed to withdraw from bond, the reduction or elimination of certain costs incurred owing to wartime conditions, and a reduction in certain overhead charges.

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1945/46

The transfers of £500,000 to General Reserve and £1,000,000 to Redemption Reserve are repeated this year, and in this way internal resources are being used as far as possible to reduce the substantial shortage of working capital. It is proposed to bring the total Ordinary dividend for the year to 19¼% free of tax. After allowing for the difference in the standard rates of tax this represents the same gross rate as last year.

After giving effect to the above allocations there remained a balance of £852,654 on Profit and Loss Account which your Directors have thought wise to transfer to a new account called Special Leaf Cost Reserve. To this account they have also transferred £147,346 from the balance standing to the credit of Profit and Loss Account at 31st October, 1945, thus bringing the Special Leaf Cost Reserve to a round figure of £1,000,000.

This new reserve is intended to offset the reduction in profit likely to be caused by the abnormally high cost of leaf used in 1947. In the meantime this reserve, so far as it is derived from this year's profits, further reduces the shortage in working capital.

8. Your Directors have decided to make a Gift to Staff and Workpeople on the same lines as have been approved for a number of years past, and provision for this has been made in the accounts.

9. Consolidated Accounts.

These embody the accounts of all Subsidiary Companies (including Sub-Subsidiaries) with those of the parent Company.

Apart from two relatively small Companies—E. & W. Anstie Ltd. and Robert Sinclair Tobacco Co. Ltd.—the whole of the Company's tobacco manufacturing business is carried on by the parent Company through its various Branches. The function of the other Subsidiaries is primarily the provision of goods and services ancillary to the main business of a tobacco manufacturer. The three largest are—

Mardon, Son & Hall, Ltd.	Colour printers, carton and box makers.
St. Anne's Board Mill Co., Ltd.	Manufacturers of various types of board.
Robert Fletcher & Son, Ltd.	Manufacturers of cigarette papers and fine tissues.

Consolidated Balance Sheet.—War Damage Reinstatement Reserve £738,276.

This represents the difference between the estimated amount recoverable on War Damage Claims and the book value of assets for which a claim is made. The bulk of the claims relate to the printing Subsidiary, Mardon, Son & Hall, Ltd. In the case of the parent Company the amounts involved are not material and are therefore not shown separately.

Consolidated Profit and Loss Account.—Directors' Fees and Remuneration.

The figures shown relate to Directors of the parent Company only, and are therefore the same as those stated in the parent Company's Profit and Loss Account. Amounts relating to Directors of Subsidiary Companies are controlled, as in the case of other senior executives, by the Directors of the parent Company.

10. A report of the Annual General Meeting will be published in the Press and copies of the Chairman's Speech will be posted to all Members of the Company.

11. The Directors record, with deep regret, the death in July last of one of their colleagues, Mr. William Inghram Gunn.

12. Since the last Ordinary General Meeting the Board have appointed the Company's Solicitor, Mr. Richard Mervyn Edmund Reeves, as a Director. Under the Articles of Association he offers himself for election by the Members.

13. The Directors retiring by rotation under the Articles of Association are Mr. Herbert Southerden Burn, C.B.E., Sir William Alfred Churchman, Bt., Messrs. Roger Simon Woodchurch Clarke, Bernard Hope Harrison, Alexander Black Mitchell, Stephen Mitchell, Arthur Gordon Thomson, Sir Ernest Salter Wills, Bt., and Mr Frank Oliver Wills.

They are eligible and offer themselves for re-election.

14. Lord Dulverton has informed the Board that he feels the time has come when he must relinquish the Chairmanship of the Company and this he proposes to do after the Annual Meeting. The Board have accepted his decision with the greatest possible regret, recognising as they do the outstanding service he has rendered to the Company as its Chairman for the past twenty-two years. They have invited him to accept the office of President on his retirement from the Chair. He has accepted this invitation, and the Company will thereby continue to have the benefit of his experience and judgment on the larger questions of policy.

The Board have decided to appoint Sir Robert Sinclair to be Chairman in succession to Lord Dulverton.

15. The Auditors, Messrs, Deloitte, Plender, Griffiths & Company, retire, and offer themselves for re-appointment by the Members.

16. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

17. It is proposed that the Dividend Warrants in respect of Ordinary Stock should be paid on 28th March, 1947.

Dated the 18th day of February, 1947

On behalf of the Board,

DULVERTON *Chairman.*

R. J. SINCLAIR *Deputy-Chairman.*

E. J. PARTRIDGE *Secretary.*

THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

BALANCE SHEET, 31st October, 1946.

1945.				AUTHORISED in Shares of £1 each.	ISSUED and converted into Stock.
£				£	£
	CAPITAL—				
4,959,249	"A" 5½% Cumulative Preference			6,000,000	4,959,249
5,260,469	"B" 6% Non-Cumulative Preference			6,000,000	5,260,469
2,638,218	"C" 10% Non-Cumulative Preference			3,000,000	2,638,218
37,563,049	Ordinary			40,000,000	37,563,049
50,420,985				£55,000,000	£50,420,985
	CAPITAL RESERVE—				
—	Excess Profits Tax Post-War Refund (Provisional Amount) ...				4,096,350
	REVENUE RESERVES—				
10,500,000	General Reserve at 31st October, 1945	£11,000,000			
	Add : Transfer from Profit and Loss Account for				
500,000	the year ended 31st October, 1946	500,000		11,500,000	
	Redemption Reserve at 31st October, 1945	£1,000,000			
	Add : Transfer from Profit and Loss Account for				
1,000,000	the year ended 31st October, 1946	1,000,000		2,000,000	
	Special Leaf Cost Reserve—				
	Transferred from Profit and Loss Account for the				
	year ended 31st October, 1946	852,654			
	Transferred from balance of Profit and Loss				
	Account at 31st October, 1945	147,346		1,000,000	
	Profit and Loss Account—				
	Balance brought forward from previous year ...	2,412,080			
	Less : Transfer to Special Leaf Cost Reserve ...	147,346			
2,412,080				2,264,734	
5,668,052	Contingencies			5,668,052	
					22,432,786
20,080,132					
	LOAN CAPITAL—				
10,000,000	3% Ten Year Notes, 1950–55				10,000,000
	DEFERRED LIABILITY				
3,140,757	Provision towards the 1947–48 Income Tax liability				3,347,650
	CURRENT LIABILITIES AND PROVISIONS—				
17,938,781	Creditors, Taxation and accrued liabilities			13,811,183	
—	Acceptance Credits			10,000,000	
14,366,731	Bank Overdraft			26,293,907	
	Deposits by and Current Accounts with—				
3,930,579	Subsidiary Companies			3,913,251	
	Provision for Obligations to Pension Fund—				
	Balance at 31st October, 1945	2,051,859			
	Less : Instalments paid to Fund under Actuary's				
	Certificate	161,400			
2,051,859				1,890,459	
342,126	Provisions for Deferred Repairs and other requirements			342,126	
721,873	Employers' Liability, Marine and other Insurance accounts ...			724,993	
86,057	Widows and Orphans Benefit Account			60,474	
	Dividends on Preference Stocks for the half-year to 31st October, 1946				
218,378	(*less* Income Tax)			234,357	
	Proposed Final Dividend and Bonus on Ordinary Stock (free of				
3,756,305	Income Tax)			4,413,659	
43,412,689					61,684,409

There are Contingent Liabilities in respect of :—

(*a*) Guarantees of dividends on shares in two Subsidiary Companies.

(*b*) Guarantee in respect of the Pension Fund instituted by the Company.

(*c*) Uncalled liability on Investments £59,941.

1945.					
£		£	£	£	£
	FIXED ASSETS—				
7,292,196	Land and Buildings at cost	7,463,713			
5,239,466	*Less* : Amounts written off	5,363,241			
2,052,730			2,100,472		
6,531,793	Plant, Machinery, etc., at cost	6,790,211			
4,582,041	*Less* : Amounts written off	4,691,000			
1,949,752			2,099,211		
				4,199,683	
	Goodwill, Patent Rights and Trade Marks at cost, less proceeds of sales		9,386,582		
	Less : Amounts written off		114,000		
9,272,582				9,272,582	
13,275,064					13,472,265
	SUBSIDIARY AND SUB-SUBSIDIARY COMPANIES—				
	Subsidiary Companies—				
3,721,762	Shares at or under cost			3,705,634	
835,574	Loans and Current Accounts			1,010,658	
4,557,336				4,716,292	
	Sub-Subsidiary Companies—				
289,295	Loans and Current Accounts			272,397	
4,846,631					4,988,689
	TRADE INVESTMENTS—				
10,764,974	Shares (quoted) at cost (Market Value £56,514,142)			11,486,309	
415,091	Shares and Debentures (not officially quoted) at cost			414,353	
913,286	Loans			913,469	
12,093,351					12,814,131
	CURRENT ASSETS—				
	Stock-in-trade at approximate cost and advances to Leaf Buying Branches				
57,512,085	abroad			78,509,370	
38,309,284	Debtors (less Provision for Discounts and Doubtful Debts)			41,178,515	
347,265	Government and Other Securities (quoted), at or under cost (Market Value £396,630).			290,170	
	Loans to Corporations and Other Investments (not officially quoted) at or				
84,929	under cost			80,773	
585,954	Bank Balances and Cash in hand			648,267	
96,839,517					120,707,095
£127,054,563					£151,982,180

AUDITORS' REPORT TO THE MEMBERS OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

We have examined the above Balance Sheet dated 31st October, 1946, with the books at the Head Office in Bristol, in which have been incorporated the Audited Accounts of the Branches, and have obtained all the information and explanations we have required. In our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C.2.
18*th February*, 1947.

DELOITTE, PLENDER, GRIFFITHS & CO., *Auditors*, *Chartered Accountants*.

All the Subsidiary Companies for the accounting period to 31st October, 1946 (30th April, 1946, in the case of one company), earned a profit. The dividends received from these companies included in the Profit and Loss Account were mainly in respect of the previous accounting period and were less than the profit for the accounting period to 31st October, 1946.

DULVERTON *Chairman.*

P. V. ROBERTS
(*Chartered Accountant*),
Chief Accountant.

DULVERTON *Chairman.*
R. J. SINCLAIR *Deputy-Chairman.*
E. J. PARTRIDGE *Secretary.*

PROFIT AND LOSS ACCOUNT for the year ended 31st October, 1946.

1945. £		£	£
313,658	Depreciation of Buildings, Plant and Machinery	313,229	
10,000	Directors' Fees	10,000	
	NOTE.—Other remuneration of Directors including current annual contributions to Pension Fund £209,740.		
5,242	War Damage Premiums	92	
62,540	Discount on Ten Year Notes and expenses of issue	—	
172,534	Interest paid and accrued on Ten Year Notes	300,000	
694,187	Bank and other interest	773,168	
—	Discount, Commission, etc., on Acceptance Credits	131,248	
—	Excess Profits Tax	200,000	
7,420,000	Income Tax on Profits for the year	8,250,000	
8,934,345	Balance carried down	10,052,256	
£17,612,506			£20,029,993
500,000	Transfer to General Reserve	500,000	
1,000,000	„ „ Redemption Reserve	1,000,000	
	Dividends Paid and Proposed :		
	Preference Stocks.		
218,378	Half-year to 30th April, 1946 (paid) less Income Tax	234,357	
218,378	Half-year to 31st October, 1946 (payable) less Income Tax	234,357	
	Ordinary Stock.		
2,817,229	Interim Dividend of 7½ per cent. (free of Income Tax)	2,817,229	
2,817,229	Proposed Final Dividend of 7½ per cent. (free of Income Tax)	2,817,229	
939,076	Proposed Bonus of 4½ per cent. (free of Income Tax) ...	1,596,430	
			4,413,659
424,055	Balance transferred to Balance Sheet	—	
—	Balance transferred to Special Leaf Cost Reserve	852,654	
£8,934,345			£10,052,256

1945. £		£
13,221,616	Trading Profit for the year	16,271,434
2,945,556	Dividends and Interest from Subsidiary and Sub-subsidiary Companies and Trade Investments	3,724,100
45,334	Income from other investments	34,459
1,400,000	Excess Profits Tax—estimated refund for the year	—
£17,612,506		£20,029,993
8,934,345	Balance brought down	10,052,256
£8,934,345		£10,052,256

THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.
AND ITS SUBSIDIARY AND SUB-SUBSIDIARY COMPANIES.

CONSOLIDATED BALANCE SHEET, 31st October, 1946.

	AUTHORISED in Shares of £1 each.	ISSUED and converted into Stock.
	£	£
CAPITAL—		
"A" 5½% Cumulative Preference	6,000,000	4,959,249
"B" 6% Non-Cumulative Preference	6,000,000	5,260,469
"C" 10% Non-Cumulative Preference	3,000,000	2,638,218
Ordinary	40,000,000	37,563,049
	£55,000,000	50,420,985
CAPITAL RESERVE—		
Excess Profits Tax Post-War Refund (Provisional Amount)		4,102,676
WAR DAMAGE REINSTATEMENT RESERVE		738,276

REVENUE RESERVES AND SURPLUS—	Reserves.	Profit and Loss Account.	
Imperial Tobacco Company	20,168,052	2,264,734	
Subsidiary and Sub-Subsidiary Companies	2,364,806	1,061,860	
	22,532,858	3,326,594	25,859,452
SHARES IN SUBSIDIARY AND SUB-SUBSIDIARY COMPANIES HELD OUTSIDE THE GROUP—			
Ordinary	250		
Preference	347,860		
			348,110
LOAN CAPITAL—			
3% Ten Year Notes 1950–55			10,000,000
DEFERRED LIABILITY—			
Provision towards the 1947–48 Income Tax Liability			4,027,179

CURRENT LIABILITIES AND PROVISIONS—		
Creditors, Taxation and Accrued Liabilities	15,340,042	
Acceptance Credits	10,000,000	
Bank Overdraft	26,293,907	
Provisions for Pensions and Obligations towards Pension Funds	2,029,973	
Provisions for Deferred Repairs and other requirements	508,549	
Employers' Liability, Marine and other Insurance Accounts	749,424	
Widows and Orphans Benefit Account	60,474	
Dividends on Preference Stock and Shares (less Income Tax) accrued at 31st October, 1946:		
Imperial Tobacco Company £234,357		
Subsidiary Companies (outside Shareholders) 7,962		
	242,319	
Proposed Final Dividend and Bonus on Ordinary Stock: Imperial Tobacco Company (Free of Income Tax)	4,413,659	
		59,638,347
		£155,135,025

There are Contingent Liabilities in respect of—
(*a*) Guarantees of dividends on Shares in two Subsidiary Companies.
(*b*) Guarantee in respect of Pension Funds instituted by the Group.
(*c*) Uncalled Liability on Investments of £59,941.

	£	£	£
FIXED ASSETS—			
LAND AND BUILDINGS:			
(*a*) at cost	11,084,617		
Less: Amounts written off	6,283,402		
	4,801,215		
(*b*) at written down book value at 31st October, 1946	271,938		
		5,073,153	
PLANT, MACHINERY, ETC.:			
(*a*) at cost	9,766,899		
Less: Amounts written off	6,849,712		
	2,917,187		
(*b*) at written down book value at 31st October, 1946	242,960		
		3,160,147	
GOODWILL, PATENT RIGHTS AND TRADE MARKS:			
At cost less proceeds of sales	9,911,392		
Less: Amounts written off	195,580		
	9,715,812		
Less: Excess arising on the incorporation of the book value of the net assets of the Subsidiary and Sub-Subsidiary Companies in the Consolidated Balance Sheet	977,192		
		8,738,620	
			16,971,920
TRADE INVESTMENTS—			
Shares (quoted) at cost (Market Value £56,514,142)		11,486,309	
Shares and Debentures (not officially quoted), at cost		414,353	
Loan Accounts		913,469	
			12,814,131
WAR DAMAGE CLAIMS—			
Estimated amount recoverable			1,212,294
CURRENT ASSETS—			
Stock-in-Trade at approximate cost and Advances to Leaf Buying Branches abroad		80,719,083	
Debtors (less Provision for Discounts and Doubtful Debts)		41,968,387	
Government and other Securities (quoted) at or under cost. (Market value £398,630)		292,170	
Loans to Corporations and other Investments (not officially quoted), at or under cost		80,773	
Bank Balances and Cash in Hand		1,076,267	
			124,136,680
			£155,135,025

We have compared the above Consolidated Balance Sheet and the accompanying Consolidated Profit and Loss Account with the accounts of The Imperial Tobacco Company (of Great Britain and Ireland), Limited as audited by ourselves, and with the accounts of the Subsidiaries and Sub-subsidiaries as audited by ourselves and other auditors. In our opinion the Consolidated Balance Sheet and the Consolidated Profit and Loss Account are properly compiled from these audited accounts.

5, LONDON WALL BUILDINGS, E.C.2.
18*th February*, 1947.

DELOITTE, PLENDER, GRIFFITHS & CO., *Auditors*,
Chartered Accountants.

P. V. ROBERTS,
(*Chartered Accountant*),
Chief Accountant.

DULVERTON, *Chairman.*
R. J. SINCLAIR, *Deputy Chairman.*
E. J. PARTRIDGE, *Secretary.*

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31st October, 1946.

	£	£
Depreciation of Buildings, Plant, Machinery, etc.	523,326	
Directors' Fees	10,000	
NOTE.—Other remuneration of Directors of Parent Company including current annual contributions to Pension Fund £209,710.		
Interest paid and accrued on Ten Year Notes	300,000	
Bank and other Interest	674,647	
Discount, Commission, etc., on Acceptance Credits	131,248	
Excess Profits Tax	289,653	
Income Tax on Profits for the year	8,420,186	
Balance carried down	10,327,207	
	£20,676,267	£20,676,267

		£
Trading Profit for the year		18,074,215
Dividends and Interest from Trade Investments		2,566,978
Income from other Investments		35,074

		£
Transfer to General Reserve	500,000	
„ „ Redemption Reserve	1,000,000	
„ „ Special Leaf Cost Reserve	852,654	
Dividends and Bonus Paid and Proposed—		
Imperial Tobacco Company—Preference Stocks (less Income Tax)	468,714	
Ordinary Stock (Free of Income Tax)	7,230,888	
	10,052,256	
Consolidated Balance at 31st October, 1946, as shown on the Consolidated Balance Sheet—		
Imperial Tobacco Company	2,264,734	
Subsidiary Companies	1,061,860	
	3,326,594	
	£13,378,850	

			£
Consolidated Balance at 1st November, 1945—			
Imperial Tobacco Company	2,412,080		
Less : Transfer to Special Leaf Cost Reserve	147,346		
		2,264,734	
Subsidiary Companies		802,749	
			3,067,483
Balance brought down		10,327,207	
Deduct Profits applicable to shares in Subsidiary Companies held outside the group—			
Ordinary Shares	—		
Preference Shares (Dividends paid and proposed) (less Income Tax)	15,840		
		15,840	
			10,311,367
			£13,378,850

MARDON, SON & HALL, LTD.,
CAXTON WORKS, BRISTOL, 1.

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1946/47

THE IMPERIAL TOBACCO COMPANY

(of Great Britain and Ireland), Limited

FORTY-SIXTH ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

for the year ended 31st October 1947

THE LIBRARY OF THE
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UNIVERSITY OF ILLINOIS

MARDON, SON & HALL, LIMITED
BRISTOL, 1948

THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

DIRECTORS.

THE RT. HON. LORD DULVERTON (*President*)

SIR ROBERT JOHN SINCLAIR, K.C.B., K.B.E. (*Chairman*)

GEORGE WILFRID ANSON
FRANK MANNING ARKLE
HERBERT BARLOW
THE RT. HON. LORD BRADBURY, G.C.B.
HERBERT SOUTHERDEN BURN, C.B.E.
ROGER SIMON WOODCHURCH CLARKE
GEORGE ADOLPH FALK
JOHN CLIVE GASCOIGNE
THE RT. HON. SIR PERCY JAMES GRIGG, K.C.B., K.C.S.I.
HENRY SOMMERVILLE GUNN
BERNARD HOPE HARRISON
CEDRIC CHARLES WALTER HAVELL
STEPHEN GUY BURNET JAMES
BRIG.-GEN. HERBERT ARTHUR JONES, C.B.E.
JOHN McKERRELL McKERRELL-BROWN
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
JOHN ASHLEY PLAYER
LESLIE HARTWELL REED
RICHARD MERVYN EDMUND REEVES
WILLIAM RITCHIE
PHILIP VAUGHAN ROBERTS
THOMAS MURRAY SOWERBY
ARTHUR GORDON THOMSON
WILLIAM SENNETT THORN
HENRY CLAUDE WILLIAMS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS
WALTER DOUGLAS MELVILLE WILLS, C.B.E.

SOLICITOR.
R. M. E. REEVES

AUDITORS.
DELOITTE, PLENDER, GRIFFITHS & CO.

SECRETARY.
E. J. PARTRIDGE

REGISTERED OFFICE.
BRISTOL

NOTICE IS HEREBY GIVEN that the FORTY-SIXTH ORDINARY GENERAL MEETING of The Imperial Tobacco Company (of Great Britain and Ireland), Limited, will be held at the Recreation Hall of the W. D. & H. O. Wills Branch of the Company, Regent Road, East Street, Bedminster, Bristol, on Tuesday, the 9th day of March, 1948, at 12 noon, to receive the Balance Sheet and Accounts and the Reports of the Directors and Auditors, and to transact the ordinary business of the Company.

By Order of the Board,

E. J. PARTRIDGE,
Secretary.

BRISTOL,
25th *February*, 1948.

N.B.—*ONLY* the holders of Ordinary Stock are entitled to attend the Meeting.

REPORT OF THE DIRECTORS

To be presented at the Forty-sixth Annual General Meeting of The Imperial Tobacco Company (of Great Britain and Ireland), Limited.

1. The Directors have pleasure in submitting their Forty-sixth Annual Report to the Members, together with the Audited Balance Sheet at 31st October 1947, the Profit and Loss Account for the year ended that date, the Audited Consolidated Balance Sheet at 31st October 1947, and the Consolidated Profit and Loss Account for the year ended that date.

The Accounts are drawn up so as to conform generally with the forthcoming requirements of the Companies Act 1947 and the change in form of presentation of the two Profit and Loss Accounts should make for clarity.

2. The Profit and Loss Account shows a balance of £7,819,610 after transferring to Contingencies Reserve the exceptional profit arising during the year from the increases in rates of Tobacco Duties in the United Kingdom and Eire, and after providing for all charges including Taxation and Directors' Fees. The Directors propose that the profit shall be allocated as set out in the Profit and Loss Account.

As foreshadowed last year the Dividend on the Ordinary Stock is now shown at the gross rate and not at the tax free rate. Last year's Dividend of 19¼% free of tax was equivalent to 35% gross. The proposed Dividend this year is 33% gross, which is equivalent to 18.15% free of tax. In paragraphs 3 to 11 explanatory notes are given on the major features of the Accounts leading up to this result.

It is, however, desirable to point out that the capital employed in the business is considerably more than three times the issued Ordinary Capital. The Reserves of the Company, which total some £34 million, are used in the business: and in addition we have short term Capital in the form of Loan Capital, Acceptance Credits and Bank Overdraft to the extent of £46 million. It will be clear, therefore, that in these circumstances the true rate of return on Capital employed in the business is very much smaller than is represented by the rate of dividend on the Ordinary Stock of the Company.

As was stated in the Chairman's Speech last year, the Directors have been anxious to find a way of converting some of the temporary Capital into permanent Capital and by so doing to bring the issued Ordinary Capital into closer relation with Working Capital. With, however, the prevailing uncertainty about the level of future supplies of leaf, it has not been found possible to decide upon the right level of capitalisation ; and recent legislation has for the time being prevented the adoption of the method that was explained at our last Annual Meeting and which seems to your Directors sound both in principle and in practice.

3. FIXED ASSETS.

Additions to Land and Buildings ... £649,151.
Additions to Plant and Machinery ... £678,316.

These additions arise from the progress towards completion of part of the programme of extensions and replacements to which reference was made last year in the Directors' Report and the Chairman's Speech.

In view of the obvious necessity in present circumstances to curtail capital expenditure as far as may be reasonably possible and in view of uncertainty about the level of future supplies of leaf tobacco, various items in that programme (including a new factory in Lanarkshire) have not been started. The new factories in Newcastle and Glasgow were too far advanced to be stopped without undue loss and they may still prove very useful additions to our capacity since they are situated in Development Areas where labour supply is relatively easier than in some of the main centres where the Company's manufacturing operations are carried on.

For many years most of your Company's factories have been equipped with stand-by generators, so that loss of output during the fuel crisis in February and March 1947 was negligible. Since then various replacements and improvements have been effected.

4. Investments in Subsidiary and Sub-Subsidiary Companies.

The combined total of these investments is very much the same as last year.

5. Current Assets.

Stock-in-Trade ... Increase £4,375,374.

Leaf in Bond at 31st October 1947 is less than a year ago because the effect of the decrease in our purchases of dollar tobacco exceeded the combined effect of an increase in purchases of non-dollar tobacco and a reduced rate of withdrawals from Bond in the second half of the year.

On the other hand, the increased duty has increased the cost of manufactured and partly-manufactured stock and this factor has more than offset the reduction in leaf in bond referred to above. Therefore, although both manufactured and unmanufactured leaf in stock are less in quantity, the total value of Stock-in-Trade shows a substantial increase over last year.

Debtors.

Despite the lower level of sales ruling since the April Budget (see paragraph 9 below), the increase in the amount of Debtors is £10,169,767, owing to the higher selling prices following the increase in Duty.

6. Revenue Reserves.

The special Leaf Cost Reserve set up last year has not in fact been required. Owing to the contraction in our leaf purchases referred to above and the fact that market prices did not show any appreciable advance in 1947 the reason for its existence has now disappeared. In the circumstances your Directors propose that this special provision should be transferred to Redemption Reserve.

The additions to General Reserve and Contingencies are dealt with in paragraph 9.

7. Deferred Liabilities.

The increase in the amount provided towards the Income Tax Liability for the fiscal year commencing on the 6th April following the date of the Balance Sheet amounts to £4,447,259. This increase is mainly attributable to Income Tax provided in respect of the Exceptional Profit commented upon later in paragraph 9.

The amount provided for obligations to Pension Schemes is now shown under this heading instead of under Current Liabilities and Provisions (where it appeared last year) so as to comply with certain definitions in the new Companies Act. The increase is attributable to the addition of £360,000 (provided for out of this year's profits) by way of initial capital for a Pension Scheme instituted for the benefit of a section of the Company's employees overseas who are ineligible to join the main Pension Fund.

8. Current Liabilities and Provisions.

Creditors, Taxation and Accrued Liabilities show an increase of £4,758,744. The main reason for this increase is the provision of Profits Tax, both on normal profit and the exceptional profit commented upon in paragraph 9.

The Bank Overdraft of £26,383,465 at 31st October is much the same as on the corresponding date last year, but for some months following the April Budget it ran at a much higher level owing to the initial cost of financing the heavy increase in duty. By 31st October the position had been relieved by reason of the exceptional profit, the reduced leaf purchases and the reduced level of sales, but the temporary increase in borrowing is reflected in the higher charge for Bank and other interest referred to in paragraph 9.

9. Profit and Loss Account.

Profits from Trading for the year (excluding Exceptional Profit and after deducting the items listed under Section 1 in the Account) amounted to £13,347,143, a reduction of £1,396,554 as compared with last year. Roughly one-third of this reduction was caused by the increased interest charges explained in paragraph 8 above. During the second half of the year sales became stabilised at a lower level owing to a combination of the heavy duty increase and lesser availability of leaf. The reduction in profit would have been greater if trade from 1st November 1946 to the date of the Budget had not shown an appreciable increase over the corresponding figure of the previous year.

Dividends and Interest increased by approximately £500,000.

Exceptional Profit.

This is, of course, a direct consequence of the raising of prices to the trade and to the public almost immediately after the April Budget. Such a policy was unavoidable if we were not to have inequitable distribution and the dislocation and confusion which would have arisen from different prices operating in different shops at the same time. The resulting profit is in a sense fortuitous and it is exceptional. If and when the Duty is lowered, it will be expected that prices should be reduced as soon as possible thereafter, and it therefore seemed prudent to exclude this exceptional profit from Trading Profit and hold it in reserve towards meeting such a contingency. The whole of the Exceptional Profit after deducting tax has, therefore, been transferred to Contingencies Reserve.

United Kingdom Taxation, exclusive of the tax on the Exceptional Profit, shows an increase of £1,335,000, owing almost entirely to the incidence of Profits Tax. The provision made is considered adequate.

General Reserve receives the same appropriation as last year (£500,000).

10. Your Directors have decided to make a gift to Staff and Workpeople on the same lines as have been approved for many years past and provision for this has been made in the Accounts.

11. Consolidated Accounts.

Variations between this year's figures and last year's are very largely the result of variations in the Parent Company's Accounts which have already been commented upon in preceding paragraphs. It is, however, worth mention that, since the date of the Balance Sheet, £545,000 (plus interest £95,000 gross) has been received in respect of part of the War Damage Claims, of which the estimated total is £1,238,558.

12. The Directors record with deep regret the deaths since the last Report of three of their colleagues—Sir William Alfred Churchman, Bt., Mr. Charles Samuel Clarke and Mr. William Milligan.

13. Since the last Ordinary General Meeting the Board have appointed Mr. John Clive Gascoigne, The Rt. Hon. Sir Percy James Grigg, K.C.B., K.C.S.I., Mr. Henry Sommerville Gunn, Mr. William Ritchie and Mr. Philip Vaughan Roberts as Directors. Under the Articles of Association they offer themselves for election by the Members.

14. The Directors retiring by rotation under the Articles of Association are Messrs. Cedric Charles Walter Havell, Stephen Guy Burnet James, John McKerrell McKerrell-Brown, Leslie Hartwell Reed, Thomas Murray Sowerby, William Sennett Thorn, Henry Claude Williams and Walter Douglas Melville Wills, C.B.E. Mr. L. H. Reed does not seek re-election, and the Directors propose to appoint Mr. John Robert Hutson in his place. The remaining gentlemen are eligible and offer themselves for re-election.

15. The Auditors, Messrs. Deloitte, Plender, Griffiths & Company retire and offer themselves for re-appointment by the Members.

16. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

17. A report of the Annual General Meeting will be published in the Press and copies of the Chairman's Speech will be posted to all Members of the Company.

18. It is proposed that the Dividend Warrants in respect of Ordinary Stock should be paid on 19th March 1948.

Dated the 10th day of February 1948,

On behalf of the Board,

R. J. SINCLAIR *Chairman.*

T. MURRAY SOWERBY *Director.*

E. J. PARTRIDGE *Secretary.*

THE IMPERIAL TOBACCO COMPANY (C

BALANCE SHE

1946			AUTHORISED in Shares of £1 each.	ISSUED and converted into Stock.
£				
	CAPITAL—		£	£
4,959,249	"A" 5½% Cumulative Preference		6,000,000	4,959,249
5,260,469	"B" 6% Non-Cumulative Preference		6,000,000	5,260,469
2,638,218	"C" 10% Non-Cumulative Preference		3,000,000	2,638,218
37,563,049	Ordinary		40,000,000	37,563,049
50,420,985			£55,000,000	£50,420,985
4,096,350	CAPITAL RESERVE— Excess Profits Tax Post-War Refund (Provisional Amount)			4,096,350
	REVENUE RESERVES AND SURPLUS—			
	General Reserve at 31st October, 1946 ...	11,500,000		
	Add : Transfer from Profit and Loss Account for the year ended 31st October, 1947	500,000	12,000,000	
11,500,000				
	Redemption Reserve at 31st October, 1946	2,000,000		
	Add : Transfer from Special Leaf Cost Reserve	1,000,000		
2,000,000			3,000,000	
	Special Leaf Cost Reserve at 31st October, 1946	1,000,000		
	Less : Transfer to Redemption Reserve	1,000,000		
1,000,000			—	
	Contingencies at 31st October, 1946 ...	5,668,052		
	Add : Transfer from Profit and Loss Account for the year ended 31st October, 1947	7,043,384		
5,668,052			12,711,436	
	Profit and Loss Account—			
	Balance brought forward from previous year	2,264,734		
	Add : Balance for the year ended 31st October, 1947	33,202		
2,264,734			2,297,936	
22,432,786				30,009,372
	LOAN CAPITAL—			
10,000,000	3% Ten Year Notes, 1950-55			10,000,000
	DEFERRED LIABILITIES—			
3,347,650	Amount provided towards the 1948-49 United Kingdom Income Tax Liability		7,794,909	
1,890,459	Amount provided for obligations to Pension Schemes ...		2,092,171	
5,238,109				9,887,080
	CURRENT LIABILITIES AND PROVISIONS—			
13,811,183	Creditors, Taxation and accrued liabilities		18,569,927	
10,000,000	Acceptance Credits		10,000,000	
26,293,907	Bank Overdraft		26,383,465	
3,913,251	Deposits by and Current Accounts with Subsidiary Companies		3,418,402	
342,126	Provisions for Deferred Repairs and other requirements ...		350,000	
724,993	Employers' Liability, Marine and other Insurance accounts		713,851	
60,474	Widows and Orphans Benefit Account		35,979	
234,357	Dividends on Preference Stocks for the half-year to 31st October, 1947 (less Income Tax)		234,357	
4,413,659	Proposed Final Dividend on Ordinary Stock (less Income Tax)		4,028,637	
59,793,950				63,734,618
£151,982,180				£168,148,405

There are Contingent Liabilities in respect of :—
(*a*) Guarantees of dividends on Shares in two Subsidiary Companies.
(*b*) Guarantee in respect of the Pension Fund instituted by the Company.
(*c*) Uncalled Liability on Investments of £40,941

AUDITORS' REPORT TO THE MEMBERS OF THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMI

We have examined the above Balance Sheet dated 31st October, 1947 with the books at the Head Office in Bristol, in which have been incorporated the Audited A have obtained all the information and explanations we have required. In our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the according to the best of our information and the explanations given to us, and as shown by the books of the Company.

5, LONDON WALL BUILDINGS, E.C.2.
10th February, 1948

DELOITTE, PLENDER, G

All the Subsidiary Companies, for the accounting period to 31st October, 1947 (30th April, 1947 in the case of one Company), earned a profit except in two cases w have been carried forward in the books of those Companies no provision having been made in the books of the Parent Company The dividends received from these Compa Loss Account were mainly in respect of the previous accounting period and were less than the profit earned during the accounting period to 31st October, 1947.

R. J. SI
T. MUR

T BRITAIN AND IRELAND), LIMITED.

CTOBER, 1947.

1946					
£		£	£	£	£
	FIXED ASSETS—				
7,463,713	Land and Buildings at cost ...	8,112,864			
5,363,241	*Less :* Amounts written off ...	5,479,591			
2,100,472			2,633,273		
6,790,211	Plant, Machinery, etc., at cost	7,468,527			
4,691,000	*Less :* Amounts written off ...	4,884,468			
2,099,211			2,584,059		
				5,217,332	
	Goodwill, Patent Rights and Trade Marks at cost, less proceeds of sales ...		9,386,582		
	Less : Amounts written off		114,000		
9,272,582				9,272,582	
13,472,265					14,489,914
	SUBSIDIARY AND SUB-SUBSIDIARY COMPANIES—				
	Subsidiary Companies—				
3,705,634	Shares at or under cost			3,734,301	
1,010,658	Loans and Current Accounts			1,629,226	
4,716,292				5,363,527	
	Sub-Subsidiary Companies—				
272,397	Loans and Current Accounts			215,897	
4,988,689					5,579,424
	TRADE INVESTMENTS—				
11,486,309	Shares (quoted) at cost (Market Value £47,694,904) ...			11,489,403	
414,353	Shares (not officially quoted) at cost			414,353	
911,452	Loans			911,452	
12,812,114					12,815,208
	CURRENT ASSETS—				
78,509,370	Stock-in-Trade at approximate cost and advances to Leaf Buying Organisations abroad			82,884,744	
41,180,532	Debtors (less Provision for Doubtful Debts)			51,350,299	
290,170	Government and Other Securities (quoted), at or under cost (Market Value £300,592).			187,446	
80,773	Loans to Corporations and Other Investments (not officially quoted) at or under cost			91,173	
648,267	Bank Balances and Cash in Hand			750,197	
120,709,112					135,263,859
£151,982,180					£168,148,405

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Chairman.
Director.

P. V. ROBERTS
(Chartered Accountant),
Chief Accountant.

R. J. SINCLAIR *Chairman.*
T. MURRAY SOWERBY *Director.*
E. J. PARTRIDGE *Secretary.*

THE IMPERIAL TOBACCO COMPANY
(OF GREAT BRITAIN AND IRELAND), LIMITED.

PROFIT AND LOSS ACCOUNT for the Year ended 31st October, 1947.

1946 £			£	1947 £
	(I)	**TRADING PROFIT** (EXCLUDING EXCEPTIONAL PROFIT UNDER III BELOW AND AFTER DEDUCTING THE FOLLOWING ITEMS).		
14,743,697				13,347,143
313,229		Depreciation	353,328	
10,000		Directors' Fees (*See Note 1 below*)	10,000	
300,000		Interest paid and accrued on Ten Year Notes ...	300,000	
773,168		Bank and other interest	1,213,147	
131,248		Discount, commission etc., on Acceptance Credits	174,551	
1,527,645			2,051,026	
	(II)	DIVIDENDS AND INTEREST.		
1,168,852		From Subsidiary Companies and Sub-Subsidiary Companies	1,434,472	
2,555,248		,, Trade Investments	2,788,180	
34,459		,, Other Investments	34,815	
3,758,559				4,257,467
	(III)	EXCEPTIONAL PROFIT.		
—		Profit arising from increases in rates of Tobacco Duties during the year	14,229,059	
—		*Less* United Kingdom Income Tax and Profits Tax thereon	7,185,675	
—			7,043,384	
—		*Less* Transfer to Contingencies Reserve ...	7,043,384	—
18,502,256	(IV)	**NET PROFIT FOR YEAR BEFORE CHARGING UNITED KINGDOM TAXATION THEREON**		17,604,610
	(V)	UNITED KINGDOM TAXATION (ESTIMATED TO BE PAYABLE ON THE NET PROFIT SHOWN ABOVE) ...		
200,000		(i) Excess Profits Tax	—	
—		(ii) Profits Tax	2,800,000	
8,250,000		(iii) Income Tax	6,985,000	
8,450,000				9,785,000
10,052,256	(VI)	**NET PROFIT FOR YEAR**		7,819,610
	(VII)	APPROPRIATIONS.		
500,000		To General Reserve	500,000	
1,000,000		,, Redemption Reserve	—	
852,654		,, Special Leaf Cost Reserve	—	
2,352,654				500,000
7,699,602	(VIII)	**BALANCE AVAILABLE FOR DISTRIBUTION**		7,319,610
	(IX)	DIVIDENDS PAID AND PROPOSED.		
		PREFERENCE STOCKS :—		
234,357		Half-year to 30th April, 1947 (paid) less Income Tax	234,357	
234,357		Half-year to 31st October, 1947 (payable) less Income Tax	234,357	
		ORDINARY STOCKS :—		
2,817,229 (*See Note 2 below*)		Interim Dividend of 13½% less Income Tax ...	2,789,057	
4,413,659 (*See Note 3 below*)		Proposed Final Dividend of 19½% less Income Tax, making with the Interim Dividend 33% less Income Tax	4,028,637	
7,699,602				7,286,408
	(X)	**BALANCE OF PROFIT FOR YEAR TRANSFERRED TO BALANCE SHEET**		33,202

NOTES :

(1) Other remuneration of Directors, including current annual contributions to the Pension Fund £205,365 (1946 : £209,740)
(2) 7½% free of Income Tax in 1946.
(3) 11¾% free of Income Tax in 1946, making the total for the year 19¼% free of Income Tax which was equivalent to 35% less Income Tax.

THE IMPERIAL TOBACCO COMPANY
(OF GREAT BRITAIN AND IRELAND), LIMITED
AND ITS SUBSIDIARY AND SUB-SUBSIDIARY COMPANIES.

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the Year ended 31st October, 1947.

1946 £			£	1947 £
	(I)	**TRADING PROFIT** (EXCLUDING EXCEPTIONAL PROFIT UNDER III BELOW AND AFTER DEDUCTING THE FOLLOWING ITEMS).		15,143,713
523,326		Depreciation	604,677	
10,000		Directors' Fees	10,000	
300,000		Interest paid and accrued on Ten Year Notes ...	300,000	
674,647		Bank and other interest	1,116,972	
131,248		Discount, commission, etc., on Acceptance Credits	174,871	
1,639,221			2,206,520	
	(II)	DIVIDENDS AND INTEREST.		
2,566,978		From Trade Investments	2,788,180	
35,074		„ Other Investments	35,472	
2,602,052				2,823,652
	(III)	EXCEPTIONAL PROFIT.		
—		Profit arising from increases in rates of Tobacco Duties during the year	14,532,643	
—		*Less* United Kingdom Income Tax and Profits Tax thereon	7,338,985	
			7,193,658	
—		*Less* Transfers to Reserves	7,193,658	—
19,037,046	(IV)	**NET PROFIT FOR YEAR BEFORE CHARGING UNITED KINGDOM TAXATION THEREON**		17,967,365
	(V)	UNITED KINGDOM TAXATION (ESTIMATED TO BE PAYABLE ON THE NET PROFIT SHOWN ABOVE). ...		
289,653		(i) Excess Profits Tax	—	
—		(ii) Profits Tax	3,039,155	
8,420,186		(iii) Income Tax	6,986,597	
8,709,839				10,025,752
10,327,207	(VI)	**NET PROFIT FOR YEAR**		7,941,613
	(VII)	PROFITS APPLICABLE TO SHARES IN SUBSIDIARY COMPANIES HELD OUTSIDE THE GROUP.		
—		Ordinary Shares	—	
15,840		Preference Shares (Dividends paid and proposed, less Income Tax)	15,877	
	(VIII)	APPROPRIATIONS.		
500,000		To General Reserves	507,771	
1,000,000		„ Redemption Reserve	—	
852,654		„ Special Leaf Cost Reserve	—	
	(IX)	DIVIDENDS PAID AND PROPOSED.		
		IMPERIAL TOBACCO COMPANY : —		
468,714		Preference Stocks (less Income Tax) ...	468,714	
7,230,888		Ordinary Stocks (less Income Tax)	6,817,694	
10,068,096				7,810,056
259,111	(X)	BALANCE OF PROFIT FOR YEAR		131,557
	(XI)	BALANCE AT 1st NOVEMBER, 1946 :		
2,264,734		IMPERIAL TOBACCO COMPANY	2,264,734	
802,749		SUBSIDIARY & SUB-SUBSIDIARY COMPANIES ...	1,061,860	
3,067,483				3,326,594
	(XII)	**BALANCE AT 31st OCTOBER, 1947 :**		
2,264,734		IMPERIAL TOBACCO COMPANY	2,297,936	
1,061,860		SUBSIDIARY & SUB-SUBSIDIARY COMPANIES ...	1,160,215	
£3,326,594				£3,458,151

THE IMPERIAL TOBACCO COMPANY (
AND ITS SUBSIDIARY

CONSOLIDATED BALAN

1946				AUTHORISED in Shares of £1 each.	ISSUED and converted into Stock.
£	CAPITAL—			£	£
4,959,249	"A" 5½% Cumulative Preference			6,000,000	4,959,249
5,260,469	"B" 6% Non-Cumulative Preference			6,000,000	5,260,469
2,638,218	"C" 10% Non-Cumulative Preference			3,000,000	2,638,218
37,563,049	Ordinary			40,000,000	37,563,049
50,420,985				£55,000,000	£50,420,985
	CAPITAL RESERVE—				
4,102,676	Excess Profits Tax Post-War Refund (Provisional Amount)				4,102,718
738,276	WAR DAMAGE REINSTATEMENT RESERVE— ...				734,375
	REVENUE RESERVES AND SURPLUS—	Reserves.	Profit and Loss Account.		
22,432,786	Imperial Tobacco Company	27,711,436	2,297,936		
3,426,666	Subsidiary and Sub-Subsidiary Companies	2,522,851	1,160,215		
25,859,452		30,234,287	3,458,151		33,692,438
	SHARES IN SUBSIDIARY AND SUB-SUBSIDIARY COMPANIES HELD OUTSIDE THE GROUP—				
250	Ordinary			24,500	
347,860	Preference			345,825	
348,110					370,325
	LOAN CAPITAL—				
10,000,000	3% Ten Year Notes 1950-55				10,000,000
	DEFERRED LIABILITIES—				
4,027,179	Amount provided towards the 1948-49 United Kingdom Income Tax Liability			8,505,919	
2,029,973	Amount provided for obligations to Pensions Schemes ...			2,219,062	
6,057,152					10,724,981
	CURRENT LIABILITIES AND PROVISIONS—				
15,340,042	Creditors, Taxation and Accrued Liabilities			20,552,399	
10,000,000	Acceptance Credits			10,103,500	
26,293,907	Bank Overdraft			26,383,465	
508,549	Provisions for Deferred Repairs and other requirements			504,748	
749,424	Employers' Liability, Marine and other Insurance Accounts			741,523	
60,474	Widows and Orphans Benefit Account			35,979	
	Dividends on Preference Stock and Shares (less Income Tax) accrued at 31st October, 1947 :				
	Imperial Tobacco Company	234,357			
	Subsidiary Companies (outside Shareholders)	7,904			
242,319				242,261	
4,413,659	Proposed Final Dividend on Ordinary Stock : Imperial Tobacco Company (less Income Tax)			4,028,637	
57,608,374					62,592,512
	There are Contingent Liabilities in respect of :—				
	(a) Guarantees of dividends on Shares in two Subsidiary Companies.				
	(b) Guarantee in respect of the Pension Funds instituted by the Group.				
£155,135,025	(c) Uncalled Liability on Investments of £40,941				£172,638,334

We have compared the above Consolidated Balance Sheet and the accompanying Consolidated Profit and Loss Account with the accounts of The Imperial Tobacco Company (of Great Britain and Ireland), Limited as audited by ourselves, and with the accounts of the Subsidiaries and Sub-subsidiaries as audited by ourselves and other auditors. In our opinion the Consolidated Balance Sheet and the Consolidated Profit and Loss Account are properly compiled from these audited accounts.

5, LONDON WALL BUILDINGS, E.C.2.
10*th February*, 1948.

DELOITTE, PLENDER, GRIFFITHS & CO., *Auditors*,
Chartered Accountants.

EAT BRITAIN AND IRELAND), LIMITED
SUBSIDIARY COMPANIES.

ET, 31st October, 1947.

1946 £		£	£	£
	FIXED ASSETS—			
	LAND AND BUILDINGS :			
11,084,617	(*a*) at cost	11,816,730		
6,283,402	*Less :* Amounts written off	6,492,598		
4,801,215		5,324,132		
271,938	(*b*) at written down book value at 31st October, 1947	296,848		
5,073,153			5,620,980	
	PLANT, MACHINERY, ETC. :			
9,766,899	(*a*) at cost	10,654,784		
6,849,712	*Less :* Amounts written off	7,113,847		
2,917,187		3,540,937		
242,960	(*b*) at written down book value at 31st October, 1947	293,902		
3,160,147			3,834,839	
	GOODWILL, PATENT RIGHTS AND TRADE MARKS:			
9,911,392	At cost less proceeds of sales	9,912,292		
195,580	*Less* : Amounts written off	196,480		
9,715,812		9,715,812		
977,192	*Less* : Excess arising on the incorporation of the book value of the net assets of the Subsidiary and Sub-Subsidiary Companies in the Consolidated Balance Sheet	895,311		
8,738,620			8,820,501	
16,971,920				18,276,320
	TRADE INVESTMENTS—			
11,486,309	Shares (quoted) at cost (Market Value £47,694,904)		11,489,402	
414,353	Shares (not officially quoted), at cost		414,353	
911,452	Loan Accounts		911,452	
12,812,114				12,815,207
	WAR DAMAGE CLAIMS—			
1,212,294	Estimated amount recoverable			1,238,558
	CURRENT ASSETS—			
80,719,083	Stock-in-Trade at approximate cost and Advances to Leaf Buying Organisations abroad		86,292,448	
41,970,404	Debtors (less Provision for Doubtful Debts)		52,530,499	
292,170	Government and other Securities (quoted) at or under cost (Market value £300,592)		187,446	
80,773	Loans to Corporations and other Investments (not officially quoted), at or under cost		91,173	
1,076,267	Bank Balances and Cash in Hand		1,206,683	
124,138,697				140,308,249
£155,135,025				£172,638,334

P. V. ROBERTS
(Chartered Accountant),
Chief Accountant.

R. J. SINCLAIR *Chairman.*
T. MURRAY SOWERBY *Director*
E. J. PARTRIDGE *Secretary.*

338.7
Im7
1947/48

THE IMPERIAL TOBACCO COMPANY

(of Great Britain and Ireland), Limited

FORTY-SEVENTH ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

for the year ended 31st October 1948

UNIVERSITY OF ILLINOIS

MARDON, SON & HALL, LIMITED,
BRISTOL, 1949

338.7
Im7
1947/48

THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

DIRECTORS.

THE RT. HON. LORD DULVERTON (*President*)
SIR ROBERT JOHN SINCLAIR, K.C.B., K.B.E. (*Chairman*)
GEORGE WILFRID ANSON (*Deputy Chairman*)

FRANK MANNING ARKLE
HERBERT BARLOW
HERBERT SOUTHERDEN BURN, C.B.E.
ROGER SIMON WOODCHURCH CLARKE
WILLIAM TWISTON DAVIES
GEORGE ADOLPH FALK
JOHN CLIVE GASCOIGNE
THE RT. HON. SIR PERCY JAMES GRIGG, K.C.B., K.C.S.I.
HENRY SOMMERVILLE GUNN
BERNARD HOPE HARRISON
CEDRIC CHARLES WALTER HAVELL
JOHN ROBERT HUTSON
STEPHEN GUY BURNET JAMES
JOHN MCKERRELL MCKERRELL-BROWN
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
HON. ALEXANDER BURDETT MONEY-COUTTS
JOHN ASHLEY PLAYER
RICHARD MERVYN EDMUND REEVES
WILLIAM RITCHIE
PHILIP VAUGHAN ROBERTS
HUGH CHARLES INNES ROGERS
THOMAS MURRAY SOWERBY
ARTHUR GORDON THOMSON
WILLIAM SENNETT THORN
HENRY CLAUDE WILLIAMS
SIR ERNEST SALTER WILLS, BT.
FRANK OLIVER WILLS
WALTER DOUGLAS MELVILLE WILLS, C.B.E.

SOLICITOR.
R. M. E. REEVES

AUDITORS.
DELOITTE, PLENDER, GRIFFITHS & CO.

SECRETARY.
E. J. PARTRIDGE

REGISTERED OFFICE.
BRISTOL

NOTICE IS HEREBY GIVEN that the FORTY-SEVENTH ANNUAL GENERAL MEETING of The Imperial Tobacco Company (of Great Britain and Ireland), Limited, will be held at the Recreation Hall of the W. D. & H. O. Wills Branch of the Company, Regent Road, East Street, Bedminster, Bristol, on Tuesday, the 22nd day of March, 1949, at 12 noon, to receive the Balance Sheet and Accounts and the Reports of the Directors and Auditors, and to transact the ordinary business of the Company.

NOTICE IS ALSO GIVEN that the Company has received Special Notice under Section 142 of the Companies Act, 1948, of intention to move the following resolution as an Ordinary Resolution : —

> " That Mr. George Adolph Falk who is aged 72, having been born on 2nd June, 1876 and who is retiring from the Board by rotation under the Articles of Association be and is hereby re-elected a Director of the Company."

AND NOTICE IS ALSO GIVEN that the following resolution will be proposed as a Special Resolution :—

> " That the regulations contained in the printed document submitted to this Meeting and subscribed for identification by the Chairman thereof be and the same are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of the Company."

By Order of the Board,

E. J. PARTRIDGE,

Secretary.

BRISTOL,
23*rd February*, 1949.

N.B.—*ONLY* the holders of Ordinary Stock are entitled to attend the Meeting.

A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and a proxy need not also be a member.

Combined prints showing the existing and the proposed new Articles of Association will be available for inspection at the Company's Head Office at East Street, Bedminster, Bristol, at any time during usual business hours on each week day (except Saturday) prior to the day fixed for the meeting, and will also be available for inspection in the meeting room for half-an-hour before the time fixed for the meeting and during the meeting.

REPORT OF THE DIRECTORS

To be presented at the Forty-seventh Annual General Meeting of
THE IMPERIAL TOBACCO COMPANY (of Great Britain and Ireland), LIMITED.

1. The Directors have pleasure in submitting their Forty-seventh Annual Report to the Members, together with the Audited Accounts for the year ended 31st October, 1948.

Certain changes in the method of presentation of the Accounts have been made so as to conform to the requirements of the Companies Act, 1948. These changes do not affect the real value of the Assets and they are explained in the Notes on pages 10 and 11 and in this Report of which paragraphs 2-10 deal with the major features of the Accounts.

2. FIXED ASSETS.

Land and Buildings at cost. *Increase £672,777.*
Plant, Machinery, etc. at cost. *Increase £1,242,755.*

The increase in Land and Buildings is almost entirely on account of the new factories in Newcastle and Glasgow referred to in last year's Report. The building of the factory in Newcastle should be completed this year and production should start in 1950. It is unlikely, however, that the additional manufacturing facilities in Glasgow will be required for some time. Consequently part of the structure will not be completed for the time being, and the remainder will be used for Bonded Storage.

The increase in Plant, Machinery, etc. represents partly new machinery less disposals, and partly the writing back to Capital Account of the original cost of Office Machinery which had been charged to revenue in previous years. The net book value of the Assets is not increased by this writing back because there is a corresponding addition to the provision for depreciation. This method of dealing with the position for the purpose of the Accounts is in accordance with the Companies Act.

Provision for depreciation.

The figure under this heading in respect of Buildings has been reduced owing to the transfer referred to in paragraph 3 of the Notes on the Accounts.

The increase in the provision in respect of Plant, Machinery, etc. arises from normal depreciation on all Plant and the addition in respect of Office Machinery referred to above.

3. SUBSIDIARY COMPANIES.

Shares at or under cost—£4,733,220—show an increase of £998,919 as compared with last year. Apart from a few small purchases during the year, this increase arises from the reallocation of reserve for depreciation of investments in Subsidiaries, as explained in paragraph 3 of the Notes on the Accounts.

4. TRADE INVESTMENTS.

Quoted shares show a reduction in book value of £675,201, due to the sale at market value of some investments to the Company's Pension Fund. The difference between the price realised and the book value is credited to Contingencies Reserve.

5. CURRENT ASSETS.

Stock-in-Trade. Increase £1,208,475.

The increase in the cost per lb. of manufactured and unmanufactured stocks (the former because of the Duty increase in April 1948 and the latter because of higher prices in the leaf Markets) has more than offset a reduction in quantity.

Debtors. Decrease £8,479,646.

There is normally included under this heading a substantial amount due from H.M. Customs on account of drawback. On this occasion, however, it is more than offset by the amount due to H.M. Customs for the Excise Duty imposed in April 1948 and the net figure is therefore included in Creditors. This accounts for part of the decrease. The remainder is due to a speeding up in the collection of book debts.

The effect on the Debtors item of the reduction in the level of supplies which we were compelled to make in September because of the shortage of leaf stocks was offset by the increase in price occasioned by the Duty alteration in April.

6. REVENUE RESERVES.

Contingencies Reserve has been added to by the transfer from provisions described in Note 3 and profit on sale of investments. This reserve includes the net amount of the Exceptional Profit made in 1947 (£7,043,384) which, as explained in last year's Report, is being held in reserve towards meeting contingencies likely to arise on Duty reductions.

The addition to General Reserve is dealt with in paragraph 9.

7. LOAN CAPITAL.

During the year under review the Company issued, with the consent of the Treasury, £10,000,000 3¼% Ten Year Notes at 99½, the discount and expenses of issue being written off against the profits of the year.

8. CURRENT LIABILITIES AND PROVISIONS.

Creditors, Taxation, and accrued liabilities. Increase £4,395,334.

The chief reason for the increase is that the liability for Income Tax 1948/9 contains the charge for Income Tax on the Exceptional Profit arising from the Duty increase in 1947.

Bank Overdraft. £9,872,845.

This shows a reduction of £16,511,403, accounted for by the issue of £10,000,000 Notes, and the reduction in the Debtors item referred to above.

9. PROFIT AND LOSS ACCOUNT.

Before providing for taxation, Profits from Trading for the year amounted to £13,249,854, a reduction of £97,289 as compared with last year. It should be borne in mind that against last year's profits there was charged an exceptional item of £360,000, which represented the initial capital required to institute a Pension Scheme for a section of the Company's employees overseas.

The Duty on Tobacco was raised by 3s. 4d. a lb. in the April Budget, but the profit on stocks arising on the increase was counterbalanced by the Excise Duty imposed at the same time.

After adding investment income and providing for taxation the Net Profit for the year is £8,120,568.

£1,000,000 is transferred to General Reserve as against £500,000 last year ; the Final Dividend proposed is 18½% making 32% for the year less Income Tax, a decrease of 1%; and the carry forward is increased by £40,758.

The Company will have to face in years to come considerable expenditure in respect of increased costs of replacement of fixed assets and in respect of the restoration of the leaf stock to a higher and more satisfactory working level than that to which it is restricted to-day. Your Directors consider it wise to aim at being in a position, when the time comes, to meet such liabilities in the main from the Company's own resources ; and the additional allocation to General Reserve this year reflects this policy.

10. Your Directors have decided to make a Gift to Staff and Workpeople in accordance with the practice approved for many years past and provision for this has been made in the Accounts.

11. The Consolidated Accounts appear to call for no further explanation than is supplied under Notes on the Accounts.

12. The Directors have appointed Mr. George Wilfrid Anson to be Deputy Chairman of the Board.

13. Since the last Ordinary General Meeting The Rt. Hon. Lord Bradbury of Winsford, G.C.B., and Brigadier-General Herbert Arthur Jones, C.B.E. have resigned from the Board, and their resignations have been accepted with regret ; Mr. Thomas Murray Sowerby retired from the Board on relinquishing his full-time executive work with the Company but was subsequently re-appointed a Director ; and Messrs. William Twiston Davies, John Robert Hutson, Hon. Alexander Burdett Money-Coutts and Mr. Hugh Charles Innes Rogers have been appointed Directors. Under the Articles of Association the five last-named gentlemen retire and, being eligible, offer themselves for re-election.

14. The Directors retiring by rotation under the Articles of Association are The Rt. Hon. Lord Dulverton of Batsford, Sir Robert John Sinclair, K.C.B., K.B.E., Messrs. George Wilfrid Anson, Frank Manning Arkle, Herbert Barlow, Herbert Southerden Burn, C.B.E., Roger Simon Woodchurch Clarke, George Adolph Falk and John Ashley Player. These gentlemen are eligible and offer themselves for re-election.

15. Messrs. Deloitte, Plender, Griffiths & Company have indicated their willingness to continue as Auditors.

16. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

17. A report of the Annual General Meeting will be published in the Press and copies of the Chairman's Speech will be posted to all Members of the Company.

18. It is proposed that the Dividend Warrants in respect of Ordinary Stock should be paid immediately after the Annual General Meeting.

Dated the 15th day of February, 1949.

On behalf of the Board,

R. J. SINCLAIR, *Chairman.*
G. W. ANSON, *Deputy Chairman.*
E. J. PARTRIDGE, *Secretary.*

THE IMPERIAL TOBACCO COMPANY

BALANCE SHE

1947				AUTHORISED in Shares of £1 each.	ISSUED and converted into Stock.
£	CAPITAL—			£	£
4,959,249	"A" 5½% Cumulative Preference			6,000,000	4,959,249
5,260,469	"B" 6% Non-Cumulative Preference			6,000,000	5,260,469
2,638,218	"C" 10% Non-Cumulative Preference			3,000,000	2,638,218
37,563,049	Ordinary			40,000,000	37,563,049
50,420,985				£55,000,000	£50,420,985
	CAPITAL RESERVE—				
4,096,350	Excess Profits Tax Post-War Refund (Provisional Amount) ..				4,096,350
	REVENUE RESERVES AND SURPLUS—				
	General Reserve at 31st October, 1947 ..		12,000,000		
12,000,000	*Add:* Transfer from Profit and Loss Account		1,000,000	13,000,000	
3,000,000	Redemption Reserve			3,000,000	
	Contingencies Reserve at 31st October, 1947		12,711,436		
	Add: Profit on sale of Investments.		378,021		
12,711,436	Transfer from Provisions (see note 3)..		1,722,388	14,811,845	
	Profit and Loss Account—				
	Balance brought forward from previous year		2,297,936		
	Add: Balance for the year ended 31st October, 1948		40,758		
2,297,936				2,338,694	
7,794,909	Reserve for future Income Tax			4,843,750	
37,804,281					37,994,289
	LOAN CAPITAL—				
10,000,000	3% Ten Year Notes, 1950-55			10,000,000	
—	3¼% Ten Year Notes, 1953-58			10,000,000	
					20,000,000
	DEFERRED LIABILITY—				
2,092,171	Amounts provided for obligations to Pension Schemes				1,933,883
	CURRENT LIABILITIES AND PROVISIONS—				
16,664,374	Creditors, Taxation and accrued liabilities			21,059,708	
2,468,499	Provisions			1,560,290	
10,000,000	Acceptance Credits			10,000,000	
26,384,248	Bank Overdraft			9,872,845	
3,418,401	Deposits by and current accounts with Subsidiary Companies ..			2,852,494	
234,357	Dividends on Preference Stocks for the half-year to 31st October, 1948 (*less* Income Tax)..			234,357	
4,028,637	Proposed Final Dividend on Ordinary Stock (*less* Income Tax) ..			3,822,040	
63,198,516					49,401,734
£167,612,303					£163,847,241

THE IMPERIAL TOBACCO COMPANY
(of Great Britain and Ireland), LIMITED.

East Street,
Bedminster,
Bristol,
23rd February, 1949.

To the Stockholders.

Dear Sir (or Madam),

You will see from the notice convening the Annual General Meeting of the Company that a special resolution will be proposed to adopt new Articles of Association.

Your Directors have decided that the time has come for the Articles to be revised and brought up to date, and they have been advised, and have decided, that it is preferable to submit an entirely new set of Articles to the stockholders for their adoption rather than to submit a long resolution setting out at length all the proposed alterations (many of which are of a minor character). The proposed new Articles are based on the existing ones and follow them closely but they do of course give effect to the provisions of the Companies Act, 1948 and advantage has been taken of this opportunity to bring them into line with modern practice.

As you will see from the notice convening the Meeting combined prints of the existing and the proposed new Articles will be available for inspection at the places and times referred to in the notice, and for full details reference should be made to these prints. I feel nevertheless that I should indicate to you the principal changes, other than those which merely represent alterations made to comply with the Companies Act, 1948 (as for example changes in regard to the length of notice of meetings) or alterations to a more modern and usual form.

The wording of the Article dealing with the borrowing powers of the Board has been revised to incorporate the extension of those powers granted by the resolution passed at the Ordinary General Meeting in March 1947. The authorised borrowing limit is one and one half times the amount of the nominal capital, and it is proposed to apply this limit (which at present applies only to borrowing by the Company) to the aggregate amount of moneys raised, borrowed or secured by the Company and all its subsidiaries, excluding for this purpose inter-company borrowings.

The fixed remuneration of Directors provided by the existing Articles is the sum of £2,500 per annum and such further sums as shall from time to time be determined by the Company in general meeting. In 1913 the Company in general meeting increased this sum to £10,000 per annum and it is proposed to incorporate this figure in the new Articles and also to provide that the Directors may be paid travelling, hotel and other expenses properly incurred by them in attending and returning from meetings, or in connection with the Company's business.

The Article as to Directors voting on matters in which they are interested has been revised, amplified and put into a modern form. In particular it is provided in the new Articles that a Director may vote in respect of any contract or resolution to allot shares or debentures to a Director, and in respect of any contract or arrangement with any other company in which the Company is interested or in which any Director is interested whether as officer or otherwise. The Directors are also to be empowered to exercise the voting rights attached to shares in any other company in which the Company is interested and also their own voting rights as directors of any such other company, as they think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them directors, officers or servants of such other company and fixing their remuneration as such. It is also proposed to introduce an Article expressly authorising a Director to be or become a director, officer or servant of or otherwise interested in any other company in which the Company is interested but providing that in the absence of agreement to the contrary he shall be liable to account to the Company for any emoluments received from such other company.

It is proposed also to increase the time for nominating a person for election as a Director (in the case of persons who are not either retiring Directors or recommended by the Board for election) from seven clear days before the relevant meeting to twenty-one clear days.

Yours faithfully,

R. J. SINCLAIR,

Chairman.

EAT BRITAIN AND IRELAND), LIMITED.

t October, 1948.

1947					
£	FIXED ASSETS—	£	£	£	£
8,132,214	LAND AND BUILDINGS, at cost ..	8,804,991			
5,480,450	*Less :* Provision for depreciation (see Note 3)	3,491,609			
2,651,764			5,313,382		
7,661,061	PLANT, MACHINERY, etc., at cost	8,903,816			
4,892,545	*Less :* Provision for depreciation	5,615,116			
2,768,516			3,288,700		
				8,602,082	
	GOODWILL, PATENT RIGHTS AND TRADE MARKS at cost, less proceeds of sales		9,386,582		
	Less : Amounts written off		114,000		
9,272,582				9,272,582	
14,692,862					17,874,664
	SUBSIDIARY COMPANIES—				
3,734,301	Shares at or under cost (see Note 3)			4,733,220	
1,845,123	Loans and current accounts			1,984,564	
5,579,424					6,717,784
	TRADE INVESTMENTS—				
11,489,403	Shares (quoted) at cost (Market Value £48,251,764 ; 1947 £47,694,904)			10,814,202	
414,353	Shares (not officially quoted) at cost			414,343	
911,452	Loans			911,452	
12,815,208					12,139,997
	CURRENT ASSETS—				
82,639,460	Stock at approximate cost and advances to Leaf Buying Organisations abroad			83,847,935	
50,856,533	Debtors			42,376,887	
278,619	General Investments			122,613	
750,197	Bank Balances and Cash in Hand			767,361	
134,524,809					127,114,796
£167,612,303					£163,847,241

P. V. ROBERTS
(Chartered Accountant),
Chief Accountant.

R. J. SINCLAIR, *Chairman.*
G. W. ANSON, *Deputy Chairman.*
E. J. PARTRIDGE, *Secretary.*

PROFIT AND LOSS ACCOUNT for the Year ended 31st October, 1948.

1947					
£			£	£	
13,347,143	(I)	TRADING PROFIT AFTER DEDUCTING:—			13,249,854
431,424		Depreciation	597,635		
10,000		Directors' Fees	10,000		
209,680		Directors' Remuneration as Managers	201,505		
7,602		Directors' Pensions and Retirement Gratuities (arising from service as Managers)	37,000		
14,774		Audit fees and expenses	15,308		
300,000		Interest paid and accrued on Ten Year Notes	398,122		
—		Discount on and expenses of issue of 3¼% Ten Year Notes	100,161		
1,213,147		Bank and other interest	835,515		
174,551		Discount, Commission, etc. on Acceptance Credits	150,986		
2,361,178			2,346,232		
	(II)	DIVIDENDS AND INTEREST.			
1,434,472		From Subsidiary Companies (see Note 9)	1,393,827		
2,788,180		„ Trade Investments	2,918,283		
34,815		„ Other Investments	28,604		
4,257,467					4,340,714
17,604,610	(III)	NET PROFIT FOR YEAR BEFORE CHARGING UNITED KINGDOM TAXATION			17,590,568
	(IV)	UNITED KINGDOM TAXATION (ESTIMATED TO BE PAYABLE ON THE NET PROFIT FOR THE YEAR)			
2,800,000		(i) Profits Tax	2,850,000		
6,985,000		(ii) Income Tax: including £4,843,750 (1947 £5,223,645) set aside to Reserve for future Income Tax	6,620,000		
9,785,000					9,470,000
7,819,610	(V)	NET PROFIT FOR YEAR			8,120,568
500,000	(VI)	APPROPRIATION. To General Reserve			1,000,000
7,319,610	(VII)	BALANCE AVAILABLE FOR DISTRIBUTION			7,120,568
	(VIII)	DIVIDENDS PAID AND PROPOSED.			
		Preference Stocks :—			
234,357		Half-year to 30th April, 1948 (paid) less Income Tax	234,357		
234,357		Half-year to 31st October, 1948 (payable) less Income Tax	234,357		
		Ordinary Stock :—			
2,789,057	(13½%)	Interim Dividend of 13½% less Income Tax	2,789,056		
4,028,637	(19½%)	Proposed Final Dividend of 18½% less Income Tax, making with the Interim Dividend 32% less Income Tax	3,822,040		
7,286,408					7,079,810
£33,202	(IX)	BALANCE OF PROFIT FOR YEAR TRANSFERRED TO BALANCE SHEET			£40,758

T BRITAIN AND IRELAND), LIMITED.

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the Year ended 31st October, 1948.

1947 £			£	£
15,143,713	(I)	TRADING PROFIT AFTER DEDUCTING :—		14,436,858
682,773		Depreciation	871,136	
19,379		Audit fees and expenses	19,050	
300,000		Interest paid and accrued on Ten Year Notes	398,122	
—		Discount and expenses of issue of 3¼% Ten Year Notes ..	100,161	
1,116,972		Bank and other interest	754,257	
174,871		Discount, Commission, etc., on Acceptance Credits ..	154,220	
2,293,995			2,296,946	
	(II)	DIVIDENDS AND INTEREST.		
2,788,180		From Trade Investments	2,918,283	
35,472		„ Other Investments (including £96,080 interest on War Damage Claims)	123,749	
2,823,652				3,042,032
17,967,365	(III)	NET PROFIT FOR YEAR BEFORE CHARGING UNITED KINGDOM TAXATION		17,478,890
	(IV)	UNITED KINGDOM TAXATION (ESTIMATED TO BE PAYABLE ON THE NET PROFIT FOR THE YEAR)		
3,039,155		(i) Profits Tax	3,107,960	
6,986,597		(ii) Income Tax : including £5,163,979 (1947 £5,795,642) set aside to reserve for future Income Tax ..	6,439,654	
10,025,752				9,547,614
7,941,613	(V)	NET PROFIT FOR YEAR		7,931,276
	(VI)	PROFITS APPLICABLE TO SHARES IN SUBSIDIARY COMPANIES HELD OUTSIDE THE GROUP		
—		Ordinary Shares	1,554	
15,877		Preference Shares (Dividends paid and proposed, *less* Income Tax)	15,684	
	(VII)	APPROPRIATIONS.		
507,771		To Reserves	1,066,817	
	(VIII)	DIVIDENDS PAID AND PROPOSED		
		IMPERIAL TOBACCO COMPANY :—		
468,714		Preference Stocks (*less* Income Tax)	468,714	
6,817,694		Ordinary Stock (*less* Income Tax)	6,611,096	
7,810,056				8,163,865
Cr *131,557*	(IX)	DECREASE in balance of Profit and Loss Account brought in		Dr. 232,589
	(X)	BALANCE AT 1ST NOVEMBER, 1947 :		
2,264,734		IMPERIAL TOBACCO COMPANY	2,297,936	
1,061,860		SUBSIDIARY COMPANIES	1,160,215	
3,326,594				3,458,151
	(XI)	BALANCE AT 31ST OCTOBER, 1948 :		
2,297,936		IMPERIAL TOBACCO COMPANY	2,338,694	
1,160,215		SUBSIDIARY COMPANIES	886,868	
£3,458,151				£3,225,562

THE IMPERIAL TOBACCO COMPANY (
AND ITS SUBS

CONSOLIDATED BALAN

1947 £		AUTHORISED in Shares of £1 each. £	ISSUED and converted into Stock. £
	CAPITAL—		
4,959,249	"A" 5½% Cumulative Preference	6,000,000	4,959,249
5,260,469	"B" 6% Non-Cumulative Preference	6,000,000	5,260,469
2,638,218	"C" 10% Non-Cumulative Preference	3,000,000	2,638,218
37,563,049	Ordinary	40,000,000	37,563,049
50,420,985		£55,000,000	£50,420,985
	CAPITAL RESERVES—		
4,102,718	Excess Profits Tax Post-War Refund (Provisional Amount)	4,103,034	
652,556	War Damage Reinstatement and other Capital reserves	737,961	
4,755,274			4,840,995

	REVENUE RESERVES AND SURPLUS—	Imperial Tobacco Company	Subsidiary Companies	
30,234,287	Reserves	30,811,845	2,807,222	
3,458,151	Profit and Loss Account	2,338,694	886,868	
33,692,438		33,150,539	3,694,090	
8,505,919	Reserves for future Income Tax	4,843,750	320,229	
42,198,357		37,994,289	4,014,319	42,008,608
	OUTSIDE INTERESTS IN SUBSIDIARIES—			
24,500	Ordinary share capital and undistributed profits attributable thereto		26,054	
345,825	Preference share capital		340,694	
370,325				366,748
	LOAN CAPITAL—			
10,000,000	3% Ten Year Notes, 1950-55		10,000,000	
—	3¼% Ten Year Notes, 1953-58		10,000,000	
				20,000,000
	DEFERRED LIABILITY—			
2,219,062	Amounts provided for obligations to Pension Schemes			2,056,369
	CURRENT LIABILITIES AND PROVISIONS—			
18,725,055	Creditors, Taxation and accrued liabilities		23,028,041	
2,654,029	Provisions		1,652,413	
10,103,500	Acceptance Credits		10,165,550	
26,384,248	Bank Overdraft		9,872,861	
	Dividends on Preference Stock and Shares (*less* Income Tax) accrued at 31st October, 1948 :—			
	Imperial Tobacco Company	234,357		
242,261	Subsidiary Companies (outside shareholders)	7,785	242,142	
	Proposed Final Dividend on Ordinary Stock (*less* Income Tax) :			
4,028,637	Imperial Tobacco Company		3,822,040	
62,137,730				48,783,047
£172,101,733				£168,476,752

EAT BRITAIN AND IRELAND), LIMITED
Y COMPANIES

EET, 31st October, 1948.

1947 £		£	£	£
	FIXED ASSETS—			
	LAND AND BUILDINGS :			
11,967,483	At cost and at valuation	12,802,907		
189,045	At book value on 1st July, 1948	203,163		
12,156,528		13,006,070		
6,519,137	*Less :* Provision for depreciation (see Note 3)	4,553,798		
5,637,391			8,452,272	
	PLANT, MACHINERY, ETC. :			
10,880,228	At cost and at valuation	12,542,001		
320,527	At book value on 1st July, 1948	357,491		
11,200,755		12,899,492		
7,128,056	*Less :* Provision for depreciation	8,011,026		
4,072,699			4,888,466	
	GOODWILL, PATENT RIGHTS AND TRADE MARKS :			
9,947,009	At cost, *less* proceeds of sales	9,947,009		
229,298	*Less :* Amounts written off	229,298		
9,717,711		9,717,711		
	Arising on the incorporation of the book value of the net assets of Subsidiary Companies in			
Cr. *895,311*	the Consolidated Balance Sheet	84,880		
8,822,400			9,802,591	
18,532,490				23,143,329
	TRADE INVESTMENTS—			
11,489,403	Shares (quoted) at cost (Market Value £48,251,764 ; 1947, £47,694,904)		10,814,202	
414,353	Shares (not officially quoted) at cost		414,343	
911,452	Loan accounts		911,452	
12,815,208				12,139,997
	CURRENT ASSETS—			
	Stock at approximate cost and advances to Leaf Buying Organisations			
85,993,442	abroad		87,493,802	
52,036,733	Debtors		43,637,228	
1,238,558	War damage claims—estimated amount recoverable		811,056	
278,619	General Investments		122,613	
1,206,683	Bank balances and cash in hand		1,128,727	
140,754,035				133,193,426
£172,101,733				£168,476,752

P. V. ROBERTS
(Chartered Accountant),
Chief Accountant.

R. J. SINCLAIR, *Chairman.*
G. W. ANSON, *Deputy Chairman.*
E. J. PARTRIDGE, *Secretary.*

NOTES ON THE ACCOUNTS

1. LIABILITIES UNDER GUARANTEES, ETC.

(a) The Holding Company guarantees the Preference Dividends of two Subsidiaries and has a contingent liability in respect of an agreement with an Associated Company. Where necessary, provision has been made in the Accounts of the Holding Company for the liabilities under these commitments at 31st October, 1948.

(b) The Holding Company and certain of its Subsidiaries have entered into guarantees in respect of Pension Schemes instituted by them.

(c) There is an uncalled liability on investments of the Holding Company amounting to £27,441 (£27,000 of which relates to shares in a Subsidiary Company held by the Holding Company).

2. CONTRACTS FOR CAPITAL EXPENDITURE.

The approximate amounts of contracts for Capital Expenditure not provided for in the Accounts are :—

(a) Holding Company £1,850,000

(b) Subsidiaries £600,000

3. PROVISIONS AND RESERVES REALLOCATED.

During the year ended 31st October, 1948, certain provisions and reserves in the Balance Sheet at 31st October, 1947 (some of which were deducted from the book values of the assets concerned) have been reallocated. These amounts are :—

	Holding Co.	Group
	£	£
i. Special depreciation	2,138,943	2,186,412
ii. Depreciation of investments in Subsidiaries	940,442	949,828
iii. Depreciation of investments	88,306	88,306
iv. Deferred repairs	250,000	312,680
v. Insurance Funds	659,661	675,315
vi. War Damage Reinstatement	23,377	113,705
vii. Other provisions and reserves	607,168	619,528
	£4,707,897	£4,945,774
This total has been reallocated to :—		
i. Reserve for future Income Tax	2,985,509	2,985,509
ii. Contingencies and General Reserves	1,722,388	1,950,103
iii. Capital Reserves	—	10,162
	£4,707,897	£4,945,774

4. TAXATION.

The reserve for future Income Tax in the Balance Sheet of the Holding Company and the Consolidated Balance Sheet at 31st October, 1947, together with £2,985,509 transferred from provisions (see Note 3 above), has been transferred to Creditors to provide for the Income Tax due on 1st January, 1949.

5. EXCHANGE CONVERSION RATES.

Currency values of the fixed assets of the Holding Company in the U.S.A. have been converted to sterling at the average rate of the cost of remittances, except that for those purchased before 31st October, 1939, the rate is $4.86 to £1. The rates used for other assets of the Holding Company abroad are the rates of exchange at 31st October, 1948. The currency values of current assets of the Subsidiaries outside Great Britain and Ireland have been converted at the rates of exchange on 31st October, 1948, and the values of fixed assets have been converted at the approximate rates ruling at the date of purchase.

6. ACCOUNTING DATES.

The Directors are of the opinion that the financial year of a Subsidiary engaged in buying leaf tobacco abroad should terminate soon after the end of the buying season. For this reason the accounts of one Subsidiary included in the Group Accounts are for the year ended 30th April, 1948.

7. AUTHORISED CAPITAL.

The Authorised Capital of the Holding Company has not been altered during the year ended 31st October, 1948.

8. GENERAL INVESTMENTS.

The general investments shown on the Balance Sheet of the Holding Company consist of :—

1947			1948	
Market value	Book value		Book value	Market value
£	£		£	£
255,758	149,769	Quoted in Great Britain	9,354	19,772
44,819	37,662	Quoted outside Great Britain	25,453	35,610
300,577	187,431	Total Quoted Investments	34,807	55,382
	91,188	Unquoted Investments	87,806	
	278,619		122,613	

9. DIVIDENDS AND INTEREST FROM SUBSIDIARIES.

The dividends received from Subsidiaries were mainly in respect of the year ended 31st October, 1947. The profits of Subsidiaries for the year ended 31st October, 1947 were substantially greater than those for the year ended 31st October, 1948.

10. THE CORRESPONDING FIGURES FOR 1947.

In arriving at the corresponding figures for 1947 adjustments have been made where necessary to make them comparable with the 1948 figures.

REPORT OF THE AUDITORS

TO THE MEMBERS OF

THE IMPERIAL TOBACCO COMPANY (of Great Britain and Ireland), LIMITED.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the annexed balance sheet and profit and loss account which are in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given us the said accounts with the notes attached thereto give the information required by the Companies Act, 1948, in the manner so required and the balance sheet gives a true and fair view of the state of the Company's affairs as at 31st October, 1948 and the profit and loss account gives a true and fair view of the profit for the year ended on that date. We have also examined the annexed consolidated balance sheet and consolidated profit and loss account of the Company and its subsidiaries with the audited accounts of those companies certain of which have not been audited by us. Subject to the foregoing in our opinion such consolidated balance sheet and consolidated profit and loss account with the notes attached thereto have been properly prepared in accordance with the provisions of the Companies Act, 1948, so as to give a true and fair view respectively of the state of affairs and of the profit of The Imperial Tobacco Company (of Great Britain and Ireland), Limited and its subsidiary companies so far as concerns members of The Imperial Tobacco Company (of Great Britain and Ireland), Limited.

DELOITTE, PLENDER, GRIFFITHS & CO.
Chartered Accountants.
Auditors.

5, London Wall Buildings,
London, E.C.2.
15*th February*, 1949.

338.7
Im7
1948/49

THE

IMPERIAL TOBACCO COMPANY

(of Great Britain and Ireland), Limited

FORTY-EIGHTH ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

for the year ended 31st October 1949

MARDON, SON & HALL, LIMITED
BRISTOL, 1950

338.7
Im7
1948/49

THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

DIRECTORS.

THE RT. HON. LORD DULVERTON (*President*)
SIR ROBERT JOHN SINCLAIR, K.C.B., K.B.E. (*Chairman*)
GEORGE WILFRID ANSON (*Deputy Chairman*)

JOHN ANSTEY, C.B.E.
FRANK MANNING ARKLE
HERBERT BARLOW
HERBERT SOUTHERDEN BURN, C.B.E.
ROGER SIMON WOODCHURCH CLARKE
WILLIAM TWISTON DAVIES
GEORGE ADOLPH FALK
JOHN CLIVE GASCOIGNE
THE RT. HON. SIR PERCY JAMES GRIGG, K.C.B., K.C.S.I.
HENRY SOMMERVILLE GUNN
BERNARD HOPE HARRISON
CEDRIC CHARLES WALTER HAVELL
JOHN ROBERT HUTSON
STEPHEN GUY BURNET JAMES
JOHN McKERRELL McKERRELL-BROWN
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
HON. ALEXANDER BURDETT MONEY-COUTTS
ERNEST JOHN PARTRIDGE
JOHN ASHLEY PLAYER
RICHARD MERVYN EDMUND REEVES
WILLIAM RITCHIE
PHILIP VAUGHAN ROBERTS
HUGH CHARLES INNES ROGERS
THOMAS MURRAY SOWERBY
ARTHUR GORDON THOMSON
WILLIAM SENNETT THORN
HENRY CLAUDE WILLIAMS
FRANK OLIVER WILLS
WALTER DOUGLAS MELVILLE WILLS, C.B.E.

SOLICITOR.
R. M. E. REEVES

AUDITORS.
DELOITTE, PLENDER, GRIFFITHS & CO.

SECRETARY.
E. J. PARTRIDGE

REGISTERED OFFICE.
BRISTOL

NOTICE IS HEREBY GIVEN that the FORTY-EIGHTH ANNUAL GENERAL MEETING of The Imperial Tobacco Company (of Great Britain and Ireland), Limited, will be held at the Recreation Hall of the W. D. & H. O. Wills Branch of the Company, Regent Road, East Street, Bedminster, Bristol, on Tuesday, the 21st day of March, 1950, at 12 noon, to receive the Balance Sheet and Accounts and the Reports of the Directors and Auditors, and to transact the ordinary business of the Company.

By Order of the Board,

E. J. PARTRIDGE,
Secretary.

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BRISTOL,
23*rd February*, 1950.

N.B.—*ONLY* the holders of Ordinary Stock are entitled to attend or be represented at the Meeting.

A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and a proxy need not also be a member.

REPORT OF THE DIRECTORS

To be presented at the Forty-eighth Annual General Meeting of
THE IMPERIAL TOBACCO COMPANY (of Great Britain and Ireland), LIMITED

1. The Directors have pleasure in submitting their Forty-eighth Annual Report to the Members, together with the Audited Accounts for the year ended 31st October 1949.

2. FIXED ASSETS.
Land and Buildings at cost *Increase £467,603.*
Plant, Machinery, etc. at cost *Increase £1,110,459.*
The increase in Land and Buildings is largely on account of the new factory at Newcastle, where production is expected to start in April 1950.
Additions to Plant and Machinery include expenditure in connection with the Newcastle Factory and on plant used in the manufacture of tipped cigarettes.

3. CURRENT ASSETS.
Stock-in-Trade. Increase £6,050,920.
Stocks of American leaf were lower in quantity, but there was a marked increase in the quantity of non-dollar Stocks. Although the greater part of the 1949 purchases of American leaf was made before the 18th September, devaluation of sterling contributed materially to an increase in the average cost per lb. of total stocks.
Debtors. Increase £1,311,256.
The chief reason for this increase is that at 31st October 1949 there was (as is normally the case) a substantial amount due from H.M. Customs on account of drawback, whereas at 31st October 1948 the amount due was more than offset by the liability for the special Excise Duty imposed in April 1948, the net figure being included in Creditors.

4. REVENUE RESERVES.
These are commented on in paragraph 6 under the heading " Profit and Loss Account".

5. CURRENT LIABILITIES AND PROVISIONS.
Creditors, Taxation, and accrued liabilities. Decrease £1,778,354.
The liability for Income Tax 1949-50 is considerably less than the liability for 1948-9 which contained the charge for Income Tax on the Exceptional Profit arising from the Duty increase in 1947; the resultant decrease is, however, partly offset by additional liabilities on other creditor accounts.
Bank Overdrafts. Increase £8,780,285.
This increase is largely accounted for by the higher level of Stock-in-trade, coupled with the reduction of £2,000,000 in the amount owed on Acceptance Credits.

6. PROFIT AND LOSS ACCOUNT.
The net profit for the year after adding investment income and providing for taxation was £8,852,215, an increase of £731,647 as compared with the previous year.
Reference was made in last year's Report to the desirability of providing in the main from the Company's own resources for the additional liabilities arising from increased costs of fixed assets and working stock. Since then devaluation of sterling has greatly increased the significance and urgency of the problem. The Directors have therefore thought it right to place £1,500,000 to a special Leaf Replacement Reserve before considering the appropriation of the amounts available for dividend and transfer to General Reserve.
General Reserve is increased by £600,000 of which £217,019 is transferred from the year's profit, and £382,981 from Subsidiaries' profits for the year ended 31st October, 1948, as explained in paragraph 3 of the Notes on the Accounts.
The final dividend proposed is 18½%, making 32% for the year, less Income Tax. The dividend is the same as for the previous year.

7. Your Directors have decided to make a Gift to Staff and Workpeople in accordance with the practice approved for many years past and provision for this has been made in the Accounts.

8. The Consolidated Accounts appear to call for no further explanation than is supplied under Notes on the Accounts.

9. Since the last Annual General Meeting Sir Ernest Salter Wills, Bt., has resigned from the Board and his resignation has been accepted with regret.

The Board have appointed Mr. John Anstey, C.B.E., and Mr. Ernest John Partridge as Directors. Under the Articles of Association they offer themselves for election by the Members.

The Directors retiring by rotation under the Articles of Association are Mr. John Clive Gascoigne, The Rt. Hon. Sir Percy James Grigg, K.C.B., K.C.S.I., Messrs. Henry Sommerville Gunn, Bernard Hope Harrison, Cedric Charles Walter Havell, Alexander Black Mitchell, Stephen Mitchell, Richard Mervyn Edmund Reeves, Arthur Gordon Thomson and Frank Oliver Wills. They are eligible and offer themselves for re-election.

10. Messrs. Deloitte, Plender, Griffiths & Company have indicated their willingness to continue as Auditors.

11. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

12. A Report of the Annual General Meeting will be published in the Press and copies of the Chairman's Speech will be posted to all Members of the Company.

13. It is proposed that the Dividend in respect of Ordinary Stock should be paid immediately after the Annual General Meeting.

Dated the 14th day of February, 1950.

On behalf of the Board,

R. J. SINCLAIR, *Chairman.*

G. W. ANSON, *Deputy Chairman.*

E. J. PARTRIDGE, *Secretary.*

BALANCE SHE

1948				AUTHORISED in Shares of £1 each.	ISSUED and converted into Stock.
£	CAPITAL—			£	£
4,959,249	"A" 5½% Cumulative Preference			6,000,000	4,959,249
5,260,469	"B" 6% Non-Cumulative Preference			6,000,000	5,260,469
2,638,218	"C" 10% Non-Cumulative Preference			3,000,000	2,638,218
37,563,049	Ordinary			40,000,000	37,563,049
50,420,985				£55,000,000	£50,420,985
	CAPITAL RESERVE—				
4,096,350	Excess Profits Tax Post-War Refund (Provisional Amount) ..				4,096,350
	REVENUE RESERVES AND SURPLUS—				
	General Reserve at 31st October, 1948 ..	13,000,000			
	Add: Dividends from Subsidiaries (see Note 3)	382,981			
	Add: Transfer from Profit and Loss Account	217,019			
13,000,000				13,600,000	
3,000,000	Redemption Reserve			3,000,000	
—	Leaf Replacement Reserve			1,500,000	
	Contingencies Reserve at 31st October, 1948	14,811,845			
	Add: Profits on Redemption of Investment, etc.	74,968			
14,811,845				14,886,813	
	Profit and Loss Account—				
	Balance brought forward from previous year	2,338,694			
	Add: Balance for the year ended 31st October, 1949	55,385			
2,338,694				2,394,079	
4,843,750	Reserve for future Income Tax			5,894,970	
37,994,289					41,275,862
	LOAN CAPITAL—				
10,000,000	3% Ten Year Notes, 1950-55			10,000,000	
10,000,000	3¼% Ten Year Notes, 1953-58			10,000,000	
20,000,000					20,000,000
	DEFERRED LIABILITY—				
1,933,883	Amounts provided for obligations to Pension Schemes				1,893,683
	CURRENT LIABILITIES AND PROVISIONS—				
21,059,708	Creditors, Taxation and accrued liabilities			19,281,354	
1,560,290	Provisions			1,345,762	
10,000,000	Acceptance Credits			8,000,000	
9,872,845	Bank Overdrafts			18,653,130	
2,852,494	Deposits by and current accounts with Subsidiaries			2,463,761	
	Dividends on Preference Stocks for the half-year to 31st October,				
234,357	1949 (*less* Income Tax)			234,357	
3,822,040	Proposed Final Dividend on Ordinary Stock (*less* Income Tax) ..			3,822,040	
49,401,734					53,800,404
£163,847,241					£171,487,284

;EAT BRITAIN AND IRELAND), LIMITED.

;t October, 1949.

1948					
£	FIXED ASSETS—	£	£	£	£
8,804,991	LAND AND BUILDINGS, at cost ..	9,272,594			
3,491,609	*Less :* Provision for depreciation	3,646,802			
5,313,382			5,625,792		
8,903,816	PLANT, MACHINERY, etc., at cost	10,014,275			
5,615,116	*Less :* Provision for depreciation	5,929,822			
3,288,700			4,084,453		
				9,710,245	
	GOODWILL, PATENT RIGHTS AND TRADE MARKS at cost, less proceeds of sales		9,386,582		
	Less : Amounts written off		114,000		
9,272,582				9,272,582	
17,874,664					18,982,827
	SUBSIDIARIES—				
4,733,220	Shares at or under cost			4,753,527	
1,984,564	Loans and current accounts			1,614,120	
6,717,784					6,367,647
	TRADE INVESTMENTS—				
10,814,202	Shares (quoted) at cost (Market Value £37,766,435—1948 £47,788,170)			10,814,202	
414,343	Shares (not officially quoted) at cost			477,117	
911,452	Loans			853,397	
12,139,997					12,144,716
	CURRENT ASSETS—				
	Stock at approximate cost and advances to Leaf Buying				
83,847,935	Organisations abroad			89,898,855	
42,376,887	Debtors			43,688,143	
122,613	General Investments			82,921	
767,361	Bank Balances and Cash in Hand			322,175	
127,114,796					133,992,094
£163,847,241					£171,487,284

P. V. ROBERTS
(Chartered Accountant),
Chief Accountant.

R. J. SINCLAIR, *Chairman.*
G. W. ANSON, *Deputy Chairman.*
E. J. PARTRIDGE, *Secretary.*

PROFIT AND LOSS ACCOUNT for the Year ended 31st October, 1949.

1948 £			£	£
13,249,854	(I)	TRADING PROFIT AFTER DEDUCTING:—		15,707,934
597,635		Depreciation	621,768	
10,000		Directors' Fees	10,000	
201,505		Directors' Remuneration as Managers	219,828	
37,000		Directors' Pensions and Retirement Gratuities (arising from service as Managers)	20,649	
15,308		Audit fees and expenses	15,756	
398,122		Interest paid and accrued on Ten Year Notes	625,000	
100,161		Discount on and expenses of issue of 3¼% Ten Year Notes	—	
835,515		Bank and other interest	836,991	
150,986		Discount, Commission, etc. on Acceptance Credits	160,405	
	(II)	DIVIDENDS AND INTEREST.		
1,393,827		From Subsidiaries (see Note 3)	588,329	
2,918,283		„ Trade Investments	2,643,997	
28,604		„ Other Investments	21,955	
4,340,714				3,254,281
17,590,568	(III)	PROFIT FOR YEAR BEFORE CHARGING UNITED KINGDOM TAXATION		18,962,215
	(IV)	UNITED KINGDOM TAXATION (ESTIMATED TO BE PAYABLE ON THE PROFITS FOR THE YEAR)		
2,850,000		(i) Profits Tax	3,010,000	
6,620,000		(ii) Income Tax: including £5,894,970 (1948 £4,843,750) set aside to Reserve for future Income Tax	7,100,000	
9,470,000				10,110,000
8,120,568	(V)	NET PROFIT FOR YEAR		8,852,215
	(VI)	APPROPRIATIONS.		
—		To Leaf Replacement Reserve	1,500,000	
1,000,000		„ General Reserve	217,019	1,717,019
7,120,568	(VII)	BALANCE		7,135,196
	(VIII)	DIVIDENDS PAID AND PROPOSED.		
		Preference Stocks :—		
234,357		Half-year to 30th April, 1949 (paid) less Income Tax	234,357	
234,357		Half-year to 31st October, 1949 (payable) less Income Tax	234,357	
		Ordinary Stock :—		
2,789,056	(13½%)	Interim Dividend of 13½% less Income Tax	2,789,057	
3,822,040	(18½%)	Proposed Final Dividend of 18½% less Income Tax, making with the Interim Dividend 32% less Income Tax	3,822,040	
7,079,810				7,079,811
£40,758	(IX)	BALANCE OF PROFIT FOR YEAR TRANSFERRED TO BALANCE SHEET		£55,385

AT BRITAIN AND IRELAND), LIMITED.

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the Year ended 31st October, 1949.

1948				
£			£	£
14,436,858	(I)	TRADING PROFIT AFTER DEDUCTING :—		16,796,802
871,136		Depreciation	922,773	
19,050		Audit fees and expenses	19,565	
398,122		Interest paid and accrued on Ten Year Notes	625,000	
100,161		Discount and expenses of issue of 3¼% Ten Year Notes ..	—	
754,257		Bank and other interest	842,809	
154,220		Discount, Commission, etc., on Acceptance Credits ..	164,280	
3,042,032	(II)	DIVIDENDS AND INTEREST.		2,668,024
2,918,283		From Trade Investments	2,643,997	
27,669		„ Other Investments	23,687	
96,080		Interest on War Damage Claims	340	
17,478,890	(III)	PROFIT FOR YEAR BEFORE CHARGING UNITED KINGDOM TAXATION		19,464,826
	(IV)	UNITED KINGDOM TAXATION (ESTIMATED TO BE PAYABLE ON THE PROFITS FOR THE YEAR)		
3,107,960		(i) Profits Tax	3,224,860	
6,439,654		(ii) Income Tax: including £6,168,598 (1948 £5,163,979) set aside to reserve for future Income Tax ..	7,154,533	
9,547,614				10,379,393
7,931,276	(V)	NET PROFIT FOR YEAR		9,085,433
	(VI)	PROFITS APPLICABLE TO SHARES IN SUBSIDIARIES HELD OUTSIDE THE GROUP		
1,554		Ordinary Shares	—	
15,684		Preference Shares (Dividends paid and proposed, *less* Income Tax)	15,251	
	(VII)	APPROPRIATIONS.		
1,066,817		To Revenue Reserves	1,902,952	
	(VIII)	DIVIDENDS PAID AND PROPOSED		
		IMPERIAL TOBACCO COMPANY :—		
468,714		Preference Stocks (*less* Income Tax)	468,714	
6,611,096		Ordinary Stock (*less* Income Tax)	6,611,096	
8,163,865				8,998,013
Dr. 232,589	(IX)	BALANCE OF PROFIT FOR THE YEAR.		87,420
	(X)	BALANCE AT 1ST NOVEMBER, 1948 :		
2,297,936		IMPERIAL TOBACCO COMPANY	2,338,694	
1,160,215		SUBSIDIARIES (see Note 3)	503,887	
3,458,151				2,842,581
	(XI)	BALANCE AT 31ST OCTOBER, 1949 :		
2,338,694		IMPERIAL TOBACCO COMPANY	2,394,079	
886,868		SUBSIDIARIES	535,922	
£3,225,562				£2,930,001

THE IMPERIAL TOBACCO COMPANY (
AND ITS

CONSOLIDATED BALAN

1948 £		AUTHORISED in Shares of £1 each.	ISSUED and converted into Stock.
		£	£
	CAPITAL OF THE IMPERIAL TOBACCO COMPANY—		
4,959,249	"A" 5½% Cumulative Preference	6,000,000	4,959,249
5,260,469	"B" 6% Non-Cumulative Preference	6,000,000	5,260,469
2,638,218	"C" 10% Non-Cumulative Preference	3,000,000	2,638,218
37,563,049	Ordinary	40,000,000	37,563,049
50,420,985		£55,000,000	£50,420,985
	CAPITAL RESERVES—		
4,103,034	Excess Profits Tax Post-War Refund (Provisional Amount)	4,103,034	
737,961	War Damage Reinstatement and other Capital reserves	738,094	
4,840,995			4,841,128
	REVENUE RESERVES AND SURPLUS—	Imperial Tobacco Company / Subsidiaries	
33,619,067	Reserves	32,986,813 / 3,268,872	
3,225,562	Profit and Loss Account	2,394,079 / 535,922	
36,844,629		35,380,892 / 3,804,794	
5,163,979	Reserves for future Income Tax	5,894,970 / 273,628	
42,008,608		41,275,862 / 4,078,422	45,354,284
	OUTSIDE INTERESTS IN SUBSIDIARIES—		
26,054	Ordinary share capital and undistributed profits attributable thereto	26,054	
340,694	Preference share capital	329,766	
366,748			355,820
	LOAN CAPITAL—		
10,000,000	3% Ten Year Notes, 1950-55	10,000,000	
10,000,000	3¼% Ten Year Notes, 1953-58	10,000,000	
20,000,000			20,000,000
	DEFERRED LIABILITY—		
2,056,369	Amounts provided for obligations to Pension Schemes		2,011,573
	CURRENT LIABILITIES AND PROVISIONS—		
23,028,041	Creditors, Taxation and accrued liabilities	20,849,373	
1,652,413	Provisions	1,351,438	
10,165,550	Acceptance Credits	8,185,400	
9,872,861	Bank Overdrafts	18,954,977	
	Dividends on Preference Stock and Shares (*less* Income Tax) accrued at 31st October, 1949 :—		
	Imperial Tobacco Company 234,357		
242,142	Subsidiaries (outside shareholders) 7,588	241,945	
	Proposed Final Dividend on Ordinary Stock (*less* Income Tax) :		
3,822,040	Imperial Tobacco Company	3,822,040	
48,783,047			53,405,173
£168,476,752			£176,388,963

REAT BRITAIN AND IRELAND), LIMITED.
IDIARIES

IEET, 31st October, 1949.

1948 £		£	£	£
	FIXED ASSETS—			
	LAND AND BUILDINGS :			
12,802,907	At cost and at valuation	13,326,471		
203,163	At book value on 1st July, 1948	203,163		
13,006,070		13,529,634		
4,553,798	*Less :* Provision for depreciation	4,783,819		
8,452,272			8,745,815	
	PLANT, MACHINERY, ETC. :			
12,542,001	At cost and at valuation	14,100,531		
357,491	At book value on 1st July, 1948, *less* proceeds of sales	344,368		
12,899,492		14,444,899		
8,011,026	*Less :* Provision for depreciation	8,502,717		
4,888,466			5,942,182	
	GOODWILL, PATENT RIGHTS AND TRADE MARKS :			
9,947,009	At cost, *less* proceeds of sales	9,947,009		
229,298	*Less :* Amounts written off	229,298		
9,717,711		9,717,711		
84,880	Arising on the incorporation of the book value of the net assets of Subsidiaries in the Consolidated Balance Sheet	59,821		
9,802,591			9,777,532	
23,143,329				24,465,529
	TRADE INVESTMENTS—			
10,814,202	Shares (quoted) at cost (Market Value £37,766,435—1948 £47,788,170)		10,814,202	
414,343	Shares (not officially quoted) at cost		477,117	
911,452	Loan accounts		853,397	
12,139,997				12,144,716
	CURRENT ASSETS—			
87,493,802	Stock at approximate cost and advances to Leaf Buying Organisations abroad		93,552,850	
43,637,228	Debtors		44,990,735	
811,056	War damage claims—estimated amount recoverable		756,312	
122,613	General Investments		82,921	
1,128,727	Bank balances and cash in hand		395,900	
133,193,426				139,778,718
£168,476,752				£176,388,963

P. V. ROBERTS
(Chartered Accountant),
Chief Accountant.

R. J. SINCLAIR, *Chairman.*
G. W. ANSON, *Deputy Chairman.*
E. J. PARTRIDGE, *Secretary.*

NOTES ON THE ACCOUNTS

1. LIABILITIES UNDER GUARANTEES, ETC.

(a) The holding company and certain of its subsidiaries have given guarantees in respect of their employees' pension schemes. In addition to the amounts provided for obligations to pension schemes shown in the balance sheet there are further obligations which will be discharged by annual payments over the next 20 years estimated at £250,000 per annum for the holding company, and £41,000 per annum reducing to £37,000 per annum after 10 years and to £25,000 per annum after 14 years for the subsidiaries. In arriving at the profits for the year there has been charged £130,000 in respect of the holding company and £12,500 in respect of a subsidiary ; otherwise no provision has been made for these future annual payments.

(b) The holding company guarantees the preference dividends of two subsidiaries and has commitments under an agreement with an associated company.

(c) There is an uncalled liability on investments of the holding company amounting to £27,441 (£27,000 of which relates to shares in a subsidiary held by the holding company.)

2. CONTRACTS FOR CAPITAL EXPENDITURE.

The approximate amounts of contracts for capital expenditure not provided for in the accounts are :—

(a) Holding Company £1,700,000 (1948 : £1,850,000)

(b) Subsidiaries £870,000 (1948 : £600,000)

3. DIVIDENDS FROM SUBSIDIARIES.

Dividends from subsidiaries in the profit and loss account of the holding company are those paid and payable out of the profits of the year ; the corresponding figure for last year consists mainly of dividends paid out of the subsidiaries' profits for the year to 31st October, 1947.

Dividends from subsidiaries paid out of the profits of the year to 31st October, 1948, amounting to £382,981 after deduction of income tax were received by the holding company during the year and have been added to its general reserve. In the consolidated profit and loss account these dividends have been deducted from last year's balance of subsidiaries' profit in arriving at the opening balance at 1st November, 1948, of £503,887.

4. ADDITIONS TO SUBSIDIARIES' REVENUE RESERVES.

	£
Total revenue reserves at 31st October, 1948 ..	2,807,222
add : provisions no longer required	85,000
profits on sales of assets	190,717
transfer from profit and loss account	185,933
Total revenue reserves at 31st October, 1949 ..	3,268,872

5. FOREIGN CURRENCIES.

The book values of assets and liabilities in foreign currencies have been converted into sterling on the following bases :—

(a) Fixed Assets in U.S.A. and Canada purchased before 31st October 1939 : at $4.86 to £1.
(b) Other Fixed Assets : at rates ruling when purchased.
(c) Advances to leaf buying organisations abroad : at cost of remittances.
(d) Other current assets and liabilities (relatively small in amount) : at the rates of exchange ruling on 31st October, 1949.

6. ACCOUNTING DATES.

The Directors are of the opinion that the financial year of a subsidiary engaged in buying leaf tobacco abroad should terminate soon after the end of the buying season. For this reason the accounts of one subsidiary included in the group accounts are for the year ended 30th April, 1949.

7. AUTHORISED CAPITAL.

The authorised capital of the holding company has not been altered during the year ended 31st October, 1949.

8. GENERAL INVESTMENTS.

The general investments shown on the balance sheet of the holding company consist of :—

1948			1949	
Market value	Book value		Book value	Market value
£	£		£	£
19,772	9,354	Quoted in Great Britain	9,362	23,340
35,610	25,453	Quoted outside Great Britain	25,453	44,512
55,382	34,807	Total quoted investments	34,815	67,852
	87,806	Unquoted investments	48,106	
	122,613		82,921	

REPORT OF THE AUDITORS

TO THE MEMBERS OF

THE IMPERIAL TOBACCO COMPANY (of Great Britain and Ireland), LIMITED

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us. We have examined the annexed balance sheet and profit and loss account which are in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given us the said accounts with the notes attached thereto give the information required by the Companies Act, 1948, in the manner so required and the balance sheet gives a true and fair view of the state of the company's affairs as at 31st October, 1949 and the profit and loss account gives a true and fair view of the profit for the year ended on that date. We have also examined the annexed consolidated balance sheet and consolidated profit and loss account of the company and its subsidiaries with the audited accounts of those companies certain of which have not been audited by us. Subject to the foregoing in our opinion such consolidated balance sheet and consolidated profit and loss account with the notes attached thereto have been properly prepared in accordance with the provisions of the Companies Act, 1948, so as to give a true and fair view respectively of the state of affairs and of the profit of The Imperial Tobacco Company (of Great Britain and Ireland), Limited and its subsidiaries so far as concerns members of The Imperial Tobacco Company (of Great Britain and Ireland), Limited.

DELOITTE, PLENDER, GRIFFITHS & CO.

Chartered Accountants.

Auditors.

5, London Wall Buildings,

London, E.C.2.

14*th February*, 1950.

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1949/50

THE

IMPERIAL TOBACCO COMPANY

(of Great Britain and Ireland), Limited

FORTY-NINTH ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

for the year ended 31st October 1950

UNIVERSITY OF ILLINOIS

MARDON, SON & HALL, LIMITED
BRISTOL, 1951

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1944/58

THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

DIRECTORS.

THE RT. HON. LORD DULVERTON (*President*)
SIR ROBERT JOHN SINCLAIR, K.C.B., K.B.E. (*Chairman*)
GEORGE WILFRID ANSON (*Deputy Chairman*)

JOHN ANSTEY, C.B.E.
FRANK MANNING ARKLE
HERBERT BARLOW
HERBERT SOUTHERDEN BURN, C.B.E.
ROGER SIMON WOODCHURCH CLARKE
CHARLES HERBERT CLEMENTS
WILLIAM TWISTON DAVIES
GEORGE ADOLPH FALK
JOHN CLIVE GASCOIGNE
THE RT. HON. SIR PERCY JAMES GRIGG, K.C.B., K.C.S.I.
HENRY SOMMERVILLE GUNN
BERNARD HOPE HARRISON
CEDRIC CHARLES WALTER HAVELL
JOHN ROBERT HUTSON
STEPHEN GUY BURNET JAMES
JOHN McKERRELL McKERRELL-BROWN
ALEXANDER BLACK MITCHELL
STEPHEN MITCHELL
HON. ALEXANDER BURDETT MONEY-COUTTS
ERNEST JOHN PARTRIDGE
JOHN ASHLEY PLAYER
RICHARD MERVYN EDMUND REEVES
WILLIAM RITCHIE
PHILIP VAUGHAN ROBERTS
HUGH CHARLES INNES ROGERS
THOMAS MURRAY SOWERBY
ARTHUR GORDON THOMSON
HENRY CLAUDE WILLIAMS
FRANK OLIVER WILLS
HON. FREDERICK ANTHONY HAMILTON WILLS
WALTER DOUGLAS MELVILLE WILLS, C.B.E.

SOLICITOR.
R. M. E. REEVES

AUDITORS.
DELOITTE, PLENDER, GRIFFITHS & CO.

SECRETARY.
E. J. PARTRIDGE

REGISTERED OFFICE.
BRISTOL

NOTICE IS HEREBY GIVEN that the FORTY-NINTH ANNUAL GENERAL MEETING of The Imperial Tobacco Company (of Great Britain and Ireland), Limited, will be held at the Recreation Hall of the W. D. & H. O. Wills Branch of the Company, Regent Road, East Street, Bedminster, Bristol, on Tuesday, the 20th day of March, 1951, at 12 noon, to receive the Balance Sheet and Accounts and the Reports of the Directors and Auditors, and to transact the ordinary business of the Company.

NOTICE IS ALSO GIVEN that the Company has received Special Notice under Section 142 of the Companies Act, 1948, of intention to move the following resolution as an Ordinary Resolution :—

> " That the Rt. Hon. Lord Dulverton of Batsford who is aged 70 having been born on 28th March 1880 and who is retiring from the Board by rotation under the Articles of Association be and is hereby re-elected a Director of the Company."

AND NOTICE IS ALSO GIVEN that the following resolution will be proposed as a Special Resolution :—

> " (1) That in Article 19 (which relates to the sealing of certificates) after the words " The certificates of title to shares " there shall be inserted the words :—
> " Unsecured Loan Stock and other debentures "
> and in place of the words " any share certificate " there shall be substituted the words :—
> " any such certificate".
>
> (2) That in Article 124 (which relates to the custody and use of the Company's Seal) after the words " (other than share certificates) " there shall be inserted within the bracket the words :—
> " and certificates for Unsecured Loan Stock and other debentures "."

By Order of the Board,
E. J. PARTRIDGE,
Secretary.

BRISTOL,
21*st February*, 1951.

N.B.—*ONLY* the holders of Ordinary Stock are entitled to attend or be represented at the Meeting.

A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and a proxy need not also be a member.

REPORT OF THE DIRECTORS

To be presented at the Forty-ninth Annual General Meeting of

THE IMPERIAL TOBACCO COMPANY (of Great Britain and Ireland), LIMITED

1. The Directors have pleasure in submitting their Forty-ninth Annual Report to the Members, together with the Audited Accounts for the year ended 31st October 1950.

2. FIXED ASSETS.

Land and Buildings at cost *Increase £295,225.*
Plant, Machinery, etc. at cost *Increase £1,009,370.*

Most of the increase in Land and Buildings and part of the increase in Plant and Machinery were in respect of the completion of the new factory at Newcastle which has been in production since April 1950.

3. CURRENT ASSETS.

Stock-in-Trade. *Increase £16,507,242.*

A substantial part of the increase was in respect of duty-paid stocks but the greater part relates to stocks of unmanufactured leaf. A decrease in the quantity of stocks of American leaf was more than off-set by an increase in the quantity of stocks of non-dollar leaf. The average cost per lb. of all the Company's stocks of unmanufactured leaf was materially greater—partly owing to the higher prices which ruled in nearly all tobacco markets in 1950 but in the main owing to the increased sterling costs of dollar tobaccos purchased since sterling was devalued in September 1949.

4. LOAN CAPITAL.

In October 1950 the Company offered to its Stockholders £20,000,000 4% Unsecured Loan Stock 1960-70 at 99. The issue was many times over-subscribed. Only the amounts receivable on application and allotment (£5,000,000) were due before the Balance Sheet date; £14,800,000 is receivable during the current year.

5. CURRENT LIABILITIES AND PROVISIONS.

Creditors, Taxation and accrued liabilities. *Increase £2,941,949.*

Increased liabilities for taxation account for a large part of the increase.

Acceptance Credits. *Decrease £2,000,000.*
Bank Overdrafts. *Increase £9,480,888.*

The net increase arises from the additional finance required for stock-in-trade.

6. PROFIT AND LOSS ACCOUNT.

In the 1949 Accounts £1,500,000 was put to Leaf Replacement Reserve towards meeting the additional capital requirement due to the inevitable increase in leaf costs resulting from the devaluation of sterling in September 1949. In the 1950 Accounts, however, it has been possible to calculate the effect of devaluation on the cost of replacing the American and Canadian tobacco used in manufacture during the year.

The Directors consider that the increased cost of replacement due to this special cause ought to be taken into account before arriving at the figure of trading profit, and the procedure which has been adopted is set out in paragraph 1 of the Notes on the Accounts. In brief, the cost of all dollar tobacco cleared from bond for manufacture during the year has been converted to sterling at post-devaluation rates of exchange. As shown in the Profit and Loss Account the resulting surplus, less tax, has been transferred to Leaf Replacement Reserve. Manufacturing economies have been effected during the year which go a considerable way towards meeting the full eventual increase in costs resulting from devaluation.

From the Balance of Profit for the year of £7,725,938 after charging Tax, £578,392 has been appropriated to write off discount on and expenses of issue of 4% Unsecured Loan Stock 1960-70.

The final dividend proposed is 18½%, making 32% for the year, less Income Tax. The dividend is the same as for the previous year.

7. Your Directors have decided to make a Gift to Staff and Workpeople in accordance with the practice approved for many years past and provision for this has been made in the Accounts.

8. Since the last Annual General Meeting Mr. William Sennett Thorn has resigned from the Board and his resignation has been accepted with regret.

The Board have appointed Mr. Charles Herbert Clements and Hon. Frederick Anthony Hamilton Wills as Directors. Under the Articles of Association they offer themselves for election by the Members.

The Directors retiring by rotation under the Articles of Association are The Rt. Hon. Lord Dulverton of Batsford, Messrs. George Wilfrid Anson, Frank Manning Arkle, Herbert Southerden Burn, C.B.E., Stephen Guy Burnet James, John McKerrell McKerrell-Brown, William Ritchie, Philip Vaughan Roberts, Henry Claude Williams and Walter Douglas Melville Wills, C.B.E. They are eligible and offer themselves for re-election.

9. Messrs. Deloitte, Plender, Griffiths & Company have indicated their willingness to continue as Auditors.

10. The Directors again desire to thank the Company's Staff and Factory Employees, both at home and abroad, for their loyal and efficient services during the past year.

11. A Report of the Annual General Meeting will be published in the Press and copies of the Chairman's Speech will be posted to all Members of the Company and to holders of the Company's 4% Unsecured Loan Stock.

12. It is proposed that the Dividend in respect of Ordinary Stock should be paid immediately after the Annual General Meeting.

Dated the 13th day of February, 1951.

On behalf of the Board,

R. J. SINCLAIR, *Chairman.*

G. W. ANSON, *Deputy Chairman.*

E. J. PARTRIDGE, *Secretary.*

THE IMPERIAL TOBACCO COMPANY (

BALANCE SHEE

1949			AUTHORISED in shares of £1 each.	ISSUED and converted into stock.
£	CAPITAL—		£	£
4,959,249	"A" 5½% Cumulative Preference		6,000,000	4,959,249
5,260,469	"B" 6% Non-Cumulative Preference		6,000,000	5,260,469
2,638,218	"C" 10% Non-Cumulative Preference		3,000,000	2,638,218
37,563,049	Ordinary		40,000,000	37,563,049
50,420,985			55,000,000	50,420,985
	CAPITAL RESERVE—			
4,096,350	Excess Profits Tax post-war refund (provisional amount) ..			4,096,350
	REVENUE RESERVES AND SURPLUS—			
13,600,000	General Reserve		13,600,000	
3,000,000	Redemption Reserve		3,000,000	
	Leaf Replacement Reserve at 31st October, 1949	1,500,000		
1,500,000	*Add:* Transfer from Profit and Loss Account	3,073,455	4,573,455	
	Contingencies Reserve at 31st October, 1949	14,886,813		
14,886,813	*Add:* Profit on Redemption of Investment, etc.	6,015	14,892,828	
	Profit and Loss Account—			
	Balance brought forward from previous year	2,394,079		
2,394,079	*Add:* Balance for the year ended 31st October, 1950	67,735	2,461,814	
5,894,970	Reserve for future Income Tax		7,130,182	
41,275,862				45,658,279
	LOAN CAPITAL—			
10,000,000	3% Ten Year Notes, 1950-55		10,000,000	
10,000,000	3¼% Ten Year Notes, 1953-58		10,000,000	
	4% Unsecured Loan Stock, 1960-70—			
	Amount allotted	20,000,000		
—	*Less:* Calls not yet due	14,800,000		
			5,200,000	
20,000,000				25,200,000
	DEFERRED LIABILITY—			
1,893,683	Amounts provided for obligations to Pension Schemes (see Note 2)			1,725,040
	CURRENT LIABILITIES AND PROVISIONS—			
19,281,354	Creditors, taxation and accrued liabilities		22,223,303	
1,345,762	Provisions		1,593,435	
8,000,000	Acceptance Credits		6,000,000	
18,653,130	Bank Overdrafts		28,134,018	
2,463,761	Deposits by and current accounts with Subsidiaries		1,909,227	
234,357	Dividends on Preference Stocks for the half-year to 31st October, 1950 (*less* Income Tax)		234,357	
3,822,040	Proposed final dividend on Ordinary Stock (*less* Income Tax) ..		3,822,040	
53,800,404				63,916,380
£171,487,284				£191,017,034

REAT BRITAIN AND IRELAND), LIMITED.

st October, 1950.

1949					
£		£	£	£	£
9,272,594	FIXED ASSETS—				
3,646,802	LAND AND BUILDINGS at cost ..	9,567,819			
	Less : Provision for depreciation	3,822,150			
5,625,792			5,745,669		
10,014,275	PLANT, MACHINERY, etc. at cost	11,023,645			
5,929,822	*Less :* Provision for depreciation	6,275,370			
4,084,453			4,748,275		
				10,493,944	
	GOODWILL, PATENT RIGHTS AND TRADE MARKS at				
9,386,582	cost, less proceeds of sales		9,386,582		
114,000	*Less :* Amounts written off		114,000		
9,272,582				9,272,582	
18,982,827					19,766,526
	SUBSIDIARIES—				
4,753,527	Shares at or under cost			4,597,778	
1,614,120	Loans and current accounts			1,877,538	
6,367,647					6,475,316
	TRADE INVESTMENTS—				
10,814,202	Shares (quoted) at cost			10,814,202	
	(Market value :—1949 £37,766,435, 1950 £45,067,345)				
477,117	Shares (not officially quoted) at cost			477,117	
853,397	Loans			876,211	
12,144,716					12,167,530
	CURRENT ASSETS—				
	Stock at approximate cost and advances to leaf buying				
89,898,855	organisations abroad			106,406,097	
43,688,143	Debtors			45,825,281	
82,921	General Investments			57,195	
322,175	Bank balances and cash in hand			319,089	
133,992,094					152,607,662
£171,487,284					£191,017,034

P. V. ROBERTS,
Chartered Accountant,
Chief Accountant.

R. J. SINCLAIR, *Chairman.*
G. W. ANSON, *Deputy Chairman.*
E. J. PARTRIDGE, *Secretary.*

PROFIT AND LOSS ACCOUNT for the year ended 31st October, 1950.

1949 £			£	£
15,707,934	(I)	TRADING PROFIT (see Note 1) after deducting :—		13,497,459
621,768		Depreciation	735,294	
10,000		Directors' Fees	10,000	
219,828		Directors' Remuneration as managers	251,089	
20,649		Directors' pensions and retirement gratuities (arising from service as managers)	1,870	
15,756		Audit fees and expenses	16,545	
625,000		Interest paid and accrued on Ten Year Notes	625,000	
836,991		Bank and other interest	1,122,751	
160,405		Discount, Commission, etc. on Acceptance Credits	171,077	
	(II)	DIVIDENDS AND INTEREST FROM		
588,329		Subsidiaries	946,653	
2,643,997		Trade Investments	2,628,421	
21,955		Other sources	13,405	
3,254,281				3,588,479
	(III)	SPECIAL SURPLUS arising from conversion to sterling of dollar costs of American and Canadian tobacco cleared from bond during the year (see Note 1)	6,209,000	
		Less : United Kingdom taxation estimated to be payable thereon :—		
		(i) Profit Tax 620,900		
		(ii) Income Tax (set aside to Reserve for future Income Tax) 2,514,645	3,135,545	
—		Amount transferred to Leaf Replacement Reserve	3,073,455	—
18,962,215	(IV)	BALANCE OF PROFIT FOR YEAR BEFORE CHARGING UNITED KINGDOM TAXATION		17,085,938
	(V)	UNITED KINGDOM TAXATION (ESTIMATED TO BE PAYABLE ON THE BALANCE OF PROFIT (IV) FOR THE YEAR)		
3,010,000		(i) Profits Tax	3,390,000	
7,100,000		(ii) Income Tax : including £4,615,537 (1949 £5,894,970) set aside to Reserve for future Income Tax	5,970,000	
10,110,000				9,360,000
8,852,215	(VI)	BALANCE OF PROFIT FOR YEAR		7,725,938
	(VII)	APPROPRIATIONS.		
1,500,000		Leaf Replacement Reserve (see Note 1)	—	
217,019		General Reserve	—	
		4% Unsecured Loan Stock 1960–70 :—		
—		Discount and expenses written off	578,392	
1,717,019				578,392
7,135,196				7,147,546
	(VIII)	DIVIDENDS PAID AND PROPOSED.		
		Preference Stocks :—		
234,357		Half-year to 30th April, 1950 (paid) less Income Tax	234,357	
234,357		Half-year to 31st October, 1950 (payable) less Income Tax	234,357	
		Ordinary Stock :—		
2,789,057	(13½%)	Interim Dividend of 13½% less Income Tax	2,789,057	
3,822,040	(18½%)	Proposed Final Dividend of 18½% less Income Tax, making with the Interim Dividend 32% less Income Tax	3,822,040	
7,079,811				7,079,811
£55,385	(IX)	BALANCE OF PROFIT FOR YEAR TRANSFERRED TO BALANCE SHEET		£67,735

AT BRITAIN AND IRELAND), LIMITED.

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31st October, 1950.

1949 £			£	£
16,796,802	(I)	TRADING PROFIT (see Note 1) after deducting :—		15,671,302
922,773		Depreciation	1,087,378	
19,565		Audit fees and expenses	21,081	
625,000		Interest paid and accrued on Ten Year Notes	625,000	
842,809		Bank and other interest	1,062,818	
164,280		Discount, Commission, etc., on Acceptance Credits	174,100	
	(II)	DIVIDENDS AND INTEREST FROM		
2,643,997		Trade Investments	2,628,421	
24,027		Other Sources	18,570	
2,668,024				2,646,991
	(III)	SPECIAL SURPLUS arising from conversion to sterling of dollar costs of American and Canadian tobacco cleared from bond during the year (see Note 1)	6,209,000	
		Less : United Kingdom taxation estimated to be payable thereon :—		
		(i) Profit Tax 620,900		
		(ii) Income Tax (set aside to Reserve for future Income Tax) 2,514,645	3,135,545	
—		Amount transferred to Leaf Replacement Reserve	3,073,455	—
19,464,826	(IV)	BALANCE OF PROFIT FOR YEAR BEFORE CHARGING UNITED KINGDOM TAXATION		18,318,293
	(V)	UNITED KINGDOM TAXATION (ESTIMATED TO BE PAYABLE ON THE BALANCE OF PROFIT (IV) FOR THE YEAR)		
3,224,860		(i) Profits Tax	3,813,059	
7,154,533		(ii) Income Tax : including £5,229,807 (1949 £6,168,598) set aside to Reserve for future Income Tax ..	6,253,202	
10,379,393				10,066,261
9,085,433	(VI)	BALANCE OF PROFIT FOR YEAR		8,252,032
	(VII)	PROFITS APPLICABLE TO SHARES IN SUBSIDIARIES HELD OUTSIDE THE GROUP		
15,251		Preference Shares (Dividends paid and proposed, *less* Income Tax)	14,933	
	(VIII)	APPROPRIATIONS.		
1,902,952		Revenue Reserves	517,439	
		4% Unsecured Loan Stock 1960–70 :—		
—		Discount and expenses written off	578,392	
	(IX)	DIVIDENDS PAID AND PROPOSED		
		IMPERIAL TOBACCO COMPANY :—		
468,714		Preference Stocks (*less* Income Tax)	468,714	
6,611,096		Ordinary Stock (*less* Income Tax)	6,611,097	
8,998,013				8,190,575
87,420	(X)	BALANCE		61,457
	(XI)	BALANCE AT 1ST NOVEMBER, 1949 :		
2,338,694		IMPERIAL TOBACCO COMPANY	2,394,079	
503,887		SUBSIDIARIES	535,922	
2,842,581				2,930,001
	(XII)	BALANCE AT 31ST OCTOBER, 1950 :		
2,394,079		IMPERIAL TOBACCO COMPANY	2,461,814	
535,922		SUBSIDIARIES	529,644	
£2,930,001				£2,991,458

THE IMPERIAL TOBACCO COMPANY (
AND ITS

CONSOLIDATED BALANC

1949 £		Imperial Tobacco Company	Subsidiaries	AUTHORISED in shares of £1 each.	ISSUED and converted into stock.
				£	£
	CAPITAL OF THE IMPERIAL TOBACCO COMPANY—				
4,959,249	"A" 5½% Cumulative Preference			6,000,000	4,959,249
5,260,469	"B" 6% Non-Cumulative Preference			6,000,000	5,260,469
2,638,218	"C" 10% Non-Cumulative Preference			3,000,000	2,638,218
37,563,049	Ordinary			40,000,000	37,563,049
50,420,985				55,000,000	50,420,985
	CAPITAL RESERVES—				
4,103,034	Excess Profits Tax post-war refund (provisional amount)			4,102,718	
738,094	War Damage Reinstatement and other Capital reserves			738,094	
4,841,128					4,840,812
	REVENUE RESERVES AND SURPLUS—				
36,255,685	Reserves	36,066,283	3,786,311		
2,930,001	Profit and Loss Account	2,461,814	529,644		
39,185,686		38,528,097	4,315,955		
6,168,598	Reserves for future Income Tax	7,130,182	614,270		
45,354,284		45,658,279	4,930,225		50,588,504
	OUTSIDE INTERESTS IN SUBSIDIARIES—				
26,054	Ordinary shares			49,000	
329,766	Preference shares			324,724	
355,820					373,724
	LOAN CAPITAL—				
10,000,000	3% Ten Year Notes, 1950-55			10,000,000	
10,000,000	3¼% Ten Year Notes, 1953-58			10,000,000	
	4% Unsecured Loan Stock, 1960-70—				
	Amount allotted	20,000,000			
—	*Less:* Calls not yet due	14,800,000	5,200,000		
20,000,000					25,200,000
	DEFERRED LIABILITY—				
2,011,573	Amounts provided for obligations to Pension Schemes (see Note 2)				1,811,841
	CURRENT LIABILITIES AND PROVISIONS—				
20,849,373	Creditors, taxation and accrued liabilities		24,054,009		
1,351,438	Provisions		1,596,435		
8,185,400	Acceptance Credits		6,157,950		
18,954,977	Bank Overdrafts		28,344,923		
	Dividends on Preference Stock and Shares (*less* Income Tax) accrued at 31st October, 1950 :—				
234,357	Imperial Tobacco Company	234,357			
7,588	Subsidiaries (outside shareholders)	7,441	241,798		
	Proposed Final Dividend on Ordinary Stock (*less* Income Tax) :				
3,822,040	Imperial Tobacco Company		3,822,040		
53,405,173					64,217,155
£176,388,963					£197,453,021

REAT BRITAIN AND IRELAND), LIMITED.
SIDIARIES

HEET, 31st October, 1950.

1949 £		£	£	£
	FIXED ASSETS—			
	LAND AND BUILDINGS :			
13,326,471	At cost and at valuation	13,791,197		
203,163	At book value on 1st July, 1948	203,163		
13,529,634		13,994,360		
4,783,819	*Less :* Provision for depreciation	5,033,177		
8,745,815			8,961,183	
	PLANT, MACHINERY, ETC. :			
14,100,531	At cost and at valuation	15,674,182		
344,368	At book value on 1st July, 1948, *less* proceeds of sales	341,986		
14,444,899		16,016,168		
8,502,717	*Less :* Provision for depreciation	9,073,246		
5,942,182			6,942,922	
	GOODWILL, PATENT RIGHTS AND TRADE MARKS :			
9,947,009	At cost, *less* proceeds of sales	9,947,009		
229,298	*Less :* Amounts written off	229,298		
9,717,711		9,717,711		
59,821	Arising on the incorporation of the book value of the net assets of Subsidiaries in the Consolidated Balance Sheet	58,367		
9,777,532			9,776,078	
24,465,529				25,680,183
	TRADE INVESTMENTS—			
10,814,202	Shares (quoted) at cost .. .. (Market value :— 1949 £37,766,435, 1950 £45,067,345)		10,814,202	
477,117	Shares (not officially quoted) at cost		477,117	
853,397	Loans		876,211	
12,144,716				12,167,530
	CURRENT ASSETS—			
93,552,850	Stock at approximate cost and advances to leaf buying organisations abroad		111,061 563	
44,990,735	Debtors		47,285,422	
756,312	War damage claims : estimated amount recoverable		770,357	
82,921	General Investments		57,195	
395,900	Bank balances and cash in hand		430,771	
139,778,718				159,605,308
£176,388,963				£197,453,021

P. V. ROBERTS,
Chartered Accountant,
Chief Accountant.

R. J. SINCLAIR, *Chairman.*
G. W. ANSON, *Deputy Chairman*
E. J. PARTRIDGE, *Secretary.*

NOTES ON THE ACCOUNTS

1. PROFIT AND LOSS ACCOUNT.

The greater part of the American and Canadian tobacco used in manufacture during the year to 31st October 1950 was purchased before sterling was devalued and therefore at a lower sterling cost than that based on present rates of exchange. In order to reflect the increase in replacement cost due to devaluation the cost of all dollar tobacco cleared from bond for manufacture during the year has been converted to sterling at post-devaluation rates of exchange for the purpose of arriving at the Trading Profit for the year.

The special surplus arising from the conversion of sterling at post-devalauation rates of exchange is dealt with as shown under (III) in the Profit and Loss Account.

The 1949 accounts included a period of six weeks subsequent to devaluation. No adjustment was made in the sterling cost of dollar tobacco used in that period but out of the net profit in 1949 a round sum of £1,500,000 was transferred to Leaf Replacement Reserve.

2. LIABILITIES UNDER GUARANTEES ETC.

(a) The Holding Company and certain of its Subsidiaries have given guarantees in respect of their employees' Pension Schemes. In addition to the amounts provided for obligations to Pension Schemes shown in the Balance Sheet there are further obligations not provided for in the accounts, which will be discharged by annual payments. For the Holding Company these payments are estimated at £250,000 per annum for the next 18 years; for the Subsidiaries they are estimated at £58,000 per annum for the next 9 years, £26,000 per annum for a further 4 years and £13,000 for each of the 6 following years.

(b) The Holding Company guarantees the preference dividends of two Subsidiaries and has commitments under an agreement with an Associated Company.

(c) There is an uncalled liability on investments of the Holding Company amounting to £28,941 (£27,000 of which relates to shares in a Subsidiary held by the Holding Company).

3. CONTRACTS FOR CAPITAL EXPENDITURE.

The approximate amounts of contracts for capital expenditure not provided for in the accounts are :—

(a) Holding Company £2,110,000 (1949 : £1,700,000)

(b) Subsidiaries £850,000 (1949 : £870,000)

4. PROVISIONS.

As the Group's Excess Profits Tax liability has not been settled, the provision for this has been increased during the year by amounts repayable in respect of interim adjustments.

5. FOREIGN CURRENCIES.

The book values of assets and liabilities in foreign currencies have been converted into sterling on the following bases :—

(a) Fixed Assets in U.S.A. and Canada purchased before 31st October 1939: at $4.86 to £1.

(b) Other Fixed Assets : at rates ruling when purchased.

(c) Advances to leaf buying organisations abroad : at cost of remittances.

(d) Other current assets and liabilities (relatively small in amount) : at the rates of exchange ruling on 31st October, 1950.

6. ACCOUNTING DATES.

The Directors are of the opinion that the financial year of a Subsidiary engaged in buying leaf tobacco abroad should terminate soon after the end of the buying season. For this reason the accounts of one Subsidiary included in the group accounts are for the year ended 30th April, 1950.

7. GENERAL INVESTMENTS.

The general investments shown on the balance sheet of the holding company consist of :—

1949			1950	
Market value	Book value		Book value	Market value
£	£		£	£
67,852	34,815	Quoted investments	37,445	76,197
	48,106	Unquoted investments	19,750	
	82,921		57,195	

REPORT OF THE AUDITORS

TO THE MEMBERS OF

THE IMPERIAL TOBACCO COMPANY (of Great Britain and Ireland), LIMITED

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us. We have examined the annexed balance sheet and profit and loss account which are in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given us the said accounts with the notes attached thereto give the information required by the Companies Act, 1948, in the manner so required and the balance sheet gives a true and fair view of the state of the company's affairs as at 31st October, 1950 and the profit and loss account gives a true and fair view of the profit for the year ended on that date. We have also examined the annexed consolidated balance sheet and consolidated profit and loss account of the company and its subsidiaries with the audited accounts of those companies certain of which have not been audited by us. Subject to the foregoing in our opinion such consolidated balance sheet and consolidated profit and loss account with the notes attached thereto have been properly prepared in accordance with the provisions of the Companies Act, 1948, so as to give a true and fair view respectively of the state of affairs and of the profit of The Imperial Tobacco Company (of Great Britain and Ireland), Limited and its subsidiaries so far as concerns members of The Imperial Tobacco Company (of Great Britain and Ireland), Limited.

DELOITTE, PLENDER, GRIFFITHS & CO.
Chartered Accountants,
Auditors.

5, London Wall Buildings,
London, E.C.2.
13th February, 1951.

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